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NEWS SUMMARY

GENERAL

Nuclear leak in U.S. plant

In an emergency was declared yesterday at a U.S. nuclear power plant...

Troops close in Kampala

The United Nations was preparing yesterday to evacuate dependents of its personnel in Kampala...

Nairobi diplomats reported that the invading troops had advanced five miles from Mpigi...

Summit demand

Raq and Syria yesterday called for a full summit to decide on core extensive economic measures...

erry inquiry

The Government has decided to proceed with its inquiry into weight limits for lorries...

Bomb threat

Part of the U.S. Embassy in Moscow was evacuated after a man walked in and threatened to explode a bomb...

Lock-out protest

Riot police used smoke bombs to disperse demonstrators protesting at the closure of Ford Motor's plant near Valencia...

Recruits plan

The Government is to press ahead with plans to recruit two or three experienced industrialists for under-secretary posts...

Record perm

Hairdresser Irene Powell of Fort Talbot, West Glamorgan, filled in a Littlewoods pool coupon for the first time and won a record £882,323...

Briefly

Two Britons and a Pakistani were missing feared dead after being trapped by crude oil flooding the pump chamber of the British tanker Texaco Spain in Rotterdam...

Police announced a curfew in a large area around Rhodesia's international airport after black nationalist guerrillas fired anti-tank shells into a white Salisbury suburb...

Snow made driving treacherous in many parts of the UK yesterday and more wintry weather is forecast today...

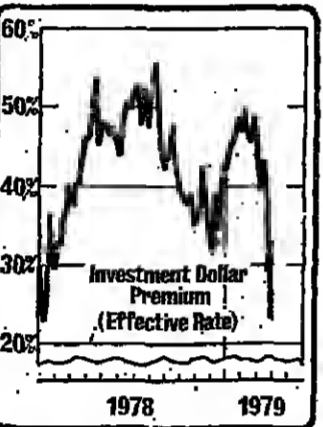
BUSINESS

Gilts up by 1.15; Equities down 0.9

GILTS traded strongly as stock markets experienced their busiest trade for two years...

EQUITIES reacted to the movement in Gilts and profit-taking started to develop among the leaders...

INVESTMENT dollar premium fell sharply to 56 1/2 per cent against 61 1/2 per cent.



STERLING reacted nervously falling 40 points to close at \$2.0495...

GOLD rose by \$1 to close at \$244 1/2.

WALL STREET was up 1.62 at 873.18 at mid-session.

RAPIDLY deepening world recession could occur over the next decade unless major structural changes are made...

INLAND REVENUE is appealing against a tax commissioner's ruling that Marine Midland Bank should not have to pay Corporation Tax on sterling gains...

LOYD'S OF LONDON officials are considering mounting a rescue for the stricken underwriting syndicate...

THEME of recommendations in the Green Paper on restrictive trade practices policy is to strengthen and make more selective existing competition law...

RIO TINTO ZINC, the biggest of the London mining houses, is considering participation in Mr. Robert L. Sprinkel's scheme to rescue the failed Wheel Jane tin mine near Truro...

LABOUR

NUPE has called off its lone campaign of industrial action over a 9 per cent pay deal for hospital ancillary workers...

UNION OF POST OFFICE WORKERS executive will consider a pay offer worth 12 per cent against a background of industrial action in London...

COMPANIES

FRUDENTIAL, the UK's largest life assurance group, reports a 29 per cent rise in profits in 1978 to £41m...

SHERIDERS BANKERS reports net profit for 1978 up £1.44m to £4.94m following recovery in associates' results...

FALLS

Table of falls: Assed. Fisheries, Bluebird Conf., GKN, Paterson Zochonis A, Sanderson Murray, Utd. Scientific, De Beers Ltd., General Mining, Union Corp., Western Deep.

Labour needs working majority, says Premier

Callaghan admits election is essential

BY RICHARD EVANS, LOBBY EDITOR

MR. JAMES CALLAGHAN admitted for the first time yesterday during the Commons debate on the Government's intention that a general election must take place soon...

He declared during a spirited defence of the Government's policies that if there was to be economic success, Labour needed a working majority...

Pugnacious

A Government defeat would mean an immediate election at the end of April or early May...

The last time a government was defeated on a motion of no confidence in the Commons was in 1924 when Mr. Ramsay MacDonald's minority Labour administration lost office...

Over the past five years of Labour rule far too little attention had been paid to wealth creation, and far too much to wealth distribution...

While any incoming Conservative Government would not be obliged to implement these pre-emptive increases in November, it would be bound by law to revise pension rates by that date to take account of inflation...

Pensions to rise 12 1/2%

BASIC STATE retirement pensions are to rise by about 12 1/2 per cent at the next uprating in November...

China to raise \$500m loan through Arab consortium

BY OUR FOREIGN STAFF

CHINA is raising what appears to be its first syndicated loan in the international banking market...

The loan, for \$500m (£244m) is being arranged through the Paris-based consortium, Union de Banques Arabes et Francaises...

Finalising

From Tokyo, it was reported as well that a group of 22 Japanese banks, which have been negotiating with China on credit terms, may agree to a 4 1/2 year loan for \$2bn also at 0.5 points above LIBOR...

want to borrow and the terms which they are prepared to pay. Up to now most of China's financing arrangements for its industrialisation programme have been made through government backed agencies...

The attraction to them of a loan raised through a group of Arab banks would seem to be that it involves no commitment to any of their major trading partners...

China's trade in 1978 was thought to be roughly in balance at \$8bn each way. Foreign exchange reserves remained at about \$2bn and China contracted to purchase about \$7bn-worth of equipment...

£ in New York

Table of exchange rates for £ in New York: Spot, 1 month, 3 months, 6 months, 12 months.

George Weston in £195m bid for 51% of Hudson's Bay shares

BY ROBERT GIBBENS IN MONTREAL

THE Toronto-based George Weston food processing and distribution group yesterday made a C\$470m (£195m) bid, for 51 per cent of the Hudson's Bay Company shares...

The Thomson bid—while the last trade on Friday was around C\$28—were really worth C\$41. Weston said Bay shareholders would have the option of the C\$28—were really worth C\$41. C\$40 cash per share or C\$40 in 2.25 per cent preferred shares at C\$20 in cash and C\$20 in preferred shares...

reserves the right to buy a greater number. If less than 11.7m Bay shares are tendered it reserves the right either not to purchase any shares deposited or to buy all shares deposited...

CONTENTS table listing various sections and their page numbers: Pulp and paper, Lombard, Marketing, Editorial comment, Survey, etc.

Algerian oil price to rise by 25%

BY RICHARD JOHNS

ALGERIA has decided on a price of about \$18.50 per barrel for its light, non-sulphurous crude. Mr. Ait Laoussine, vice-president of the State oil corporation Sonatrach, said yesterday...

Dr. Mana Al Otaiba, Minister of Oil, said on Tuesday that his Government would preserve its existing differentials but left the OPEC conference without making it clear whether they would be based on the new official price of the "marker" crude or on the \$12.20 surcharge as well...

It would involve a rise in the quality premium charged for Sabaran and Zaixaitre varieties to \$1.50. This would be in addition to the extra \$1.10 on the basic price and the \$1.20 surcharge agreed by all members of OPEC except Saudi Arabia...

Consultations

Prices gained for occasional cargoes sold on the spot market which accounts for only a very small percentage of world oil trade, are likely to continue at a rather higher level...

Shelkh Yamanal suggested that the right market would be Iraq and Nigeria would continue to produce at the levels reached as a result of the shortfall in Iranian supplies...

Mr. Tareh Abdel-Karim, Iraq's Minister of Oil, said his country had raised output from 2.5m h/d to 3m h/d and would drop to the old level. In contrast, Shelkh Yamanal said that Iraq's production had risen as high as 3.5m h/d, of which no less than 1m h/d was being sold on the spot market...

On the basis of optimistic forecasts about exports by these three producers and Iran he envisaged supply and demand coming into balance by the end of the year, eliminating the surcharge in the process—but only so long as consumption was reduced by 2m h/d and there was no more stock-piling by the industrialised country...

British built by TEREX GM the best on earth



and service by BLACKWOOD HODGE the best on earth

Business confidence stays high in West Germany

BY ADRIAN DICKS IN BONN

BUSINESS confidence in West Germany remained at a high level in February, with more manufacturing companies taking an optimistic view of the next six months than in January, the IFO Institute reports today.

But the institute expresses concern that further oil price increases could trigger off an inflationary spiral in West Germany, and help push the rate of price increases well above the 3.5 per cent expected this year.

The institute's comments coincide with today's meeting of the Central Bank Council in Frankfurt, widely expected by the banking community to take the opportunity to raise discount rate from 3 to 3.5 per cent.

In addition to technical reasons prompting this step, Dr. Otmir Emminger, Bundesbank President, delivered a warning of his own about inflation earlier this week.

Leaving aside the impact of further oil price rises, the IFO survey suggests that while the firmer economic trend has led to a greater number of price increases than in early 1978, many industries appear to have made their adjustments for the year.

The most notable sector for increasing prices in February was semi-manufacturers such as chemicals, iron and steel, non-ferrous metals and tannery products — all of which have only

in the past two or three months begun to report the benefits of economic recovery.

The survey shows a less satisfactory trend for producers of consumer durables such as household electrical appliances.

But companies reported that they do not expect lasting ill-effects from the current check to demand from slower exports and from a high level of domestic stocks.

Manufacturers of capital goods, often seen as the key component of the IFO test, reported increased order books and output rates. This led many respondents to describe business conditions in February as closer to "normal" — a term that appears to refer to the years before the 1973-74 oil price increases.

Mechanical engineering and machinery producers, in particular, reported a further improvement in business, with a marked recovery in export orders.

Electrical engineering companies were less satisfied, while the data processing and office equipment industry continued to experience more difficulties.

The motor industry remained the strongest point in the German economic picture, with private car and commercial vehicle manufacture still apparently booming.

Swedish N-plants approved

By John Walker in Stockholm

THE BOARD of the Swedish Nuclear Power Authority has voted to go ahead with the fuelling of two more nuclear power stations. The decision has come as a great relief to the Liberal minority Government which has promised to follow the Board's decision.

Disagreement among the political parties over the nuclear power issue broke up the three-party Non-Socialist Government last year.

The two nuclear power stations involved are Ringhals 3 and Forsmark 1. They will bring to eight the total of stations already on stream, or nearing completion. The Authority has plans for 13 stations.

Voting by the Board was six for and two against.

The conflict over the nuclear energy programme remains at the centre of the political stage and is likely to become more controversial as the time approaches for the general election to be held in September.

There is also the important issue of safe storage of nuclear waste, and whether it can be stored in caves.

Paul Lendvai reports on Czechoslovakia's deceptive political calm Economic fears break through



Prime Minister Lubomir Strougal (left) and President Gustav Husak pragmatic attitudes.

"WE CZECHS are normal people. We do not like fighting losing battles but prefer to adapt ourselves to the given situation." That is how an engineer in his late forties summed up the popular mood in Czechoslovakia.

A glance at Rude Pravo, the central party paper, tends to confirm the impression of a certain political normalisation. Instead of attacking dissident intellectuals and thundering against western "imperialist plots," Mr. Milos Jakes, Secretary of the Central Committee, fills four pages with a report to the plenum on the performance of agriculture and the food industry.

Both the personality of the speaker and the subject matter are pointers to just how much has changed in Czechoslovakia in the decade since 1969 when Dr. Gustav Husak, now both head of state and party leader, replaced Mr. Alexander Dubcek, the hero of the short-lived reforms of the "Prague Spring."

The same Mr. Jakes who in 1970-71 was in charge of purging almost half a million party members now has to deal with problems such as the unsatisfactory production of sugar-beet, fodder and potatoes.

Mr. Jakes presented a rather sombre picture: plan targets during the last three years were not met in the production of feed grains, sugar beet, hops,

fruit and vegetables, as well as cattle breeding. The food industry remained 2.6 per cent below target, and co-operative and state farms failed to become sufficiently profitable.

With food imports a heavy drain on meagre foreign exchange resources, the leadership publicly committed itself at the last party congress, in April 1976, to make the country self-sufficient in agriculture by 1980. But Mr. Jakes demolished any idea that agriculture might be thriving.

His candour, coupled with calls for greater efficiency, higher quality and meaningful material incentives indicates the seriousness with which the top leaders view the economic situation.

The energy and power sector, which is due to receive a third of total industrial investments during the current five-year plan, is also causing serious concern. The country, and above all industry, is beginning to recover from the repercussions of the winter power shortage.

It was caused primarily by difficulties in transporting coal from the North Bohemian coal mining areas to the eastern parts. Severe restrictions on the consumption of electricity were imposed, including the reduction of television transmissions to two and a half hours in the evening, a three-week closure of schools, and changes in working shifts.

Winter hazards dramatically illustrated the country's dependence on poor quality lignite, which is the base for 70 per cent of the output generated by thermal power stations. In all, coal-burning power plants account for 95 per cent of the electricity.

A sudden change in temperature, frost and snow produced frozen rails, bringing transport to a standstill. Worse still, railmen had no equipment to cope with the emergency and in the process of trying to get the frozen coal from the freight wagons they caused further serious damage. With no hope of increased Soviet oil deliveries (17m tons in 1977) and with nuclear power covering only at best 4 per cent of energy demand by 1980, the country has to rely on coal mined under increasingly difficult conditions and at an ever-growing cost.

"We have no resources apart from timber and the hands of our people." That is how the Prime Minister, Mr. Lubomir Strougal summed up the situa-

tion in a recent talk. Predictably he omitted to mention the delicate issue of uranium reserves shipped for processing to the Soviet Union.

The revolution in Iran poses a new threat to energy supplies. The Shah, who together with Empress Farah received honorary degrees from Prague's Charles University in August, 1977, as well as the highest Czechoslovak order (the White Lion First Class with chain) approved a contract under which Czechoslovakia was to receive

overextended engineering industry are less and less competitive in world markets.

That poses the question of how to acquire foreign exchange to pay not only for imported fuel and food, but also modern mining and industrial equipment. In striking contrast with neighbouring Poland, the Czechoslovak Government is extremely cautious in its foreign borrowing. The external debt is put at only \$2.2bn.

With Western bankers concerned about the level of some Comecon countries' indebtedness, Czechoslovakia finds itself in the curious position of being urged, for example, by the Austrian and British Trade Ministers this month, to borrow from Western banks or to top the Ecomarkets. The Finance Minister, Mr. Leopold Ler, merely replied that he would think about it.

His name is associated with the much discussed "complex experiment of effectiveness and control," introduced in January 1978 for a period of three years in some 150 plants with almost half a million employees. This experiment to raise efficiency and quality and to reduce production costs cannot succeed without the granting of real financial rewards both to enterprises and individuals, or without a transition to realistic prices in order to gauge the real export and production performance of industry.

How can one motivate people to achieve a better performance without opening the floodgates of criticism? That is the real question behind the experiment, timid as it is compared with the economic reforms in neighbouring Hungary. Yet as long as Dr. Husak's regime can produce bananas from Colombia, oranges from Cuba, and tinned fruit juice from Greece on the stalls, in addition to an erratic but on the whole adequate supply of basic foodstuffs, relative political stability is unlikely to be endangered by pressures from below.

On the whole, however, the atmosphere is curiously political, characterised not by sullen protest but by an admirable mastery of getting around the system.

On the face of it, an average wage earner must put down the equivalent of two years' earnings for a Skoda car, and over four years for an imported Austin Allegro. But statistics are deceptive. Through a host of semi-legal and illegal activities, ranging from moonlighting and enforced tipping, to black market transactions and foreign exchange speculations equalling billions of crowns, many Czech families manage to lead quite a comfortable existence.

But the chilly wind of economic realities will force, perhaps sooner than people realise — an agonising reappraisal of the subsidised price structure.

This may be the main reason why the so-called pragmatists, headed by Mr. Strougal and cautiously supported by President Husak, may gain influence and why even Mr. Jakes, a trusted friend of the Soviet Union, now speaks about crops and sugarbeet rather than the "class enemy."

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Atom waste inquiry opens

BY JONATHAN CARR IN BONN

A SIX-DAY hearing of international nuclear energy experts began in Hanover, the capital of Lower Saxony, yesterday. The outcome will be of importance for West Germany's own atomic energy plans.

At issue is whether burial in underground salt deposits is a suitable way of disposing of radioactive waste. The question is of immediate relevance since it is proposed to develop a nuclear fuel services centre at

Corleben, Lower Saxony, and bury nuclear waste in the salt beneath it.

This project has not yet been given final approval by the State government and the result of the hearing is likely to influence its decision.

More than 60 experts from among other countries, the U.S., Britain, Sweden, Denmark and West Germany are taking part in the discussions which are being held in public.

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Continued Growth and Development

Highlights from the Chairman's statement by Mr. E. I. Japhet at the Bank's Annual General Meeting

- * In 1978 the Bank experienced another year of continued development and growth. Due in no small measure to that expansion, profits for the year were higher than in 1977. The Directors propose to declare an increased final dividend of 5.52p per share making a total of 8.20p per share. (1977 - 7.38356p per share).
- * The number of accounts increased and there was also an increase in customer demand for loans and advances. Deposits from the public registered further growth.
- * The Bank's fourth London branch to be located at Gants Hill, Ilford is about to open. This is the Bank's second high street branch following the success of the Golders Green branch opened at the end of 1975.
- * Much effort was devoted to furthering the development of Anglo-Israel trade. Additional services have been offered to those engaged in trade and in the exchange of technology and know-how between the two countries.

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EUROPEAN NEWS

Eanes rejects Mota Pinto's offer to quit

BY JIMMY BURNS IN LISBON

PORTUGAL'S four-month-old non-party Government has been given a temporary, if fragile, ease of life. This follows a five-day political crisis which threatened the country with early elections this summer.

Dutch payments gap less than expected

BY CHARLES BATCHELOR IN AMSTERDAM

HOLLAND recorded a much smaller over balance of payments over current account deficit in 1978 than suggested by the most pessimistic estimates, thanks to a late revision of the figures.



New doubt on health of Brezhnev

By David Satter in Moscow

RENEWED speculation about the health of President Leonid Brezhnev surfaced yesterday when the Soviet Union's abrupt cancellation of the visit of M. Valery Giscard d'Estaing, the French President.

FORD'S MIXED FORTUNES IN SPAIN AND PORTUGAL

Unrest shuts Fiesta plant again

BY ROBERT GRAHAM IN MADRID

FORD YESTERDAY closed its Almusafes plant near Valencia, after mounting labour unrest, and began an indefinite lock-out. In answer, Ford workers held violent protest demonstrations, and clashed with riot police in Valencia.

Move to integrate output

BY JIMMY BURNS IN LISBON

FORD LUSITANIA, the U.S. motor company's Portuguese subsidiary, has announced plans to integrate production at the Azambuja assembly plant near Lisbon into Ford's European operations.

Consumer price rises slow down in France

By Robert Mauthner in Paris

FRENCH CONSUMER prices rose by 0.7 per cent in February, after increasing by 0.9 per cent in January. The result is considered relatively satisfactory by M. René Monory, the Economics Minister.

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Lloyds Bank International advertisement featuring an illustration of people in business attire and text describing international banking services and resources.

Redemption Notice City of Oslo (Norway)

Table with columns for Bond Numbers and corresponding amounts for City of Oslo bonds.

On May 1, 1979 there will become due and payable upon each Bond selected for redemption the said redemption price, together with interest accrued to the date fixed for redemption.

FOR companies and other organisations who operate multi-nationally, Lloyds Bank International has many different resources to offer. Our strength is world-wide. It lies in the skills of our people, backed by the Lloyds Bank Group assets of £14 billion, our ability to mobilise funds quickly in a variety of currencies and in any part of the world, and our detailed knowledge of the international financial stage—the important people, the markets, the opportunities. All these add up to a depth of resources capable of solving your knottiest financial problem.

Oslo confirms full support for shipping industry

BY IAN HARGREAVES

THE NORWEGIAN Guarantee Institute for ships and oil rigs is renegotiating the terms of several agreements with banks and shipowners, but this does not indicate an unwillingness to continue supporting its shipping industry.

This assurance was given in London yesterday by Mr. Harald Bakke, the Norwegian Trade and Shipping Minister. He said the results of each negotiation would depend upon the willingness of all parties to make compromises about their share of financial exposure.

Where such compromises are not forthcoming, the institute, which was set up by the Government in connection with the industry in 1975, had the right to withdraw and take the

necessary financial losses. So far such losses totalled less than \$0.5m.

The Government's commitment to bolstering its shipowners was placed in doubt last year during the renegotiation of one of the institute's largest guarantees for the troubled Reiksten tanker group, for which Hambros Bank of London is a major creditor.

Mr. Bakke said that the Norwegian Parliament's recent acceptance of an extension to the guarantee system, whereby financially secure shipowners can buy secondhand ships with a 30 per cent Government-backed credit, was evidence of long-term commitment.

The Government has earmarked \$30m of the £100m still remaining in the institute's

Indian exports improve

By K. K. Sharma in New Delhi

INDIA HAS reversed a trend of falling exports, according to the Commerce Ministry which reports that exports for the 10-month period April 1978-January 1979 rose by about 3 per cent over the same period the previous year.

Provisional figures put exports for the period at 44.16bn rupees (£2.2bn). This compares with 53.74bn rupees for the whole of 1977-78, which represented a rise of 4.4 per cent over the previous year.

Until December, exports were running at about 1 per cent below the previous year, due mainly to fluctuations in rupee-dollar exchange rate, the fall in world commodity prices and the Government's policy of limiting exports of goods in short supply in India.

The improved performance—although below the target rate of 7 per cent—was mainly due to higher exports of engineering goods, gems and jewellery and leather products.

But, imports are about 23 per cent higher than in 1977-78 and, the trade deficit at the current year is estimated at well over 10bn rupees. This is not causing alarm since foreign exchange reserves currently stand at around the £3.4bn level and are able to cope with the trade gap.

A 27-member delegation of Western European businessmen has completed a tour of India during which it met officials from some 300 Indian electronics concerns to examine the possibility of setting up joint ventures.

GATT TALKS

Inching towards agreement

BY BRIJ KHINDARIA IN GENEVA

A TOKYO ROUND package which will have an important influence on world trade has begun to take shape as intensive negotiations continue in Geneva with the aim of reaching final agreement by mid-April.

Some important points of difference remain among the industrialised countries as well as between these countries and the developing nations, making it unlikely that the details will be concluded before the end of this year.

However, participants in the negotiations think that the substantive accords needed to begin the process of approval by the U.S. Congress and by the European Community's member governments will be completed in the coming weeks.

Reactions to the package as outlined so far range from the cautious optimism of industrialised countries—who say that the world's trading system will be vastly improved if the package can be made to work—to the pessimism of several developing countries who feel that they have failed to win big enough steps towards a new international economic order better geared to their needs.

The pessimism of developing countries now derives largely from their belief that they may not be able to stem the tide of trade protectionism in industrialised countries arising from unemployment pressures due to energy supply problems.

The optimism of developed countries comes from the hope that greater transparency in the system of international trade and closer consultation will help build a fairer balance of interests, allowing poorer nations to export without crippling already ailing industrial sectors such as textiles, shoes and steel. In the

developed countries, while ensuring steady supplies of primary raw materials.

The main new features of the Tokyo Round are highlighted by a series of codes of conduct concerning the use of non-tariff barriers to trade, including resort to export sub-

suppliers by government or other public purchasing entities. It would also require more transparency of laws, regulations and procedures concerning government-financed purchases.

The customs valuation code is designed to obtain a "fair, uniform and neutral system for the

tainty remains about its immediate inclusion in the package.

A separate set of agreements will lay down the industrial tariff cuts to be offered to one another by the Tokyo Round participants in step-by-step reductions over an eight-year period.

Agricultural trade has been treated as a separate sector on insistence of the Common Market and includes accords on a framework for future co-operation as well as on cereals, dairy products and beef.

Trade in agricultural products would also be affected by the codes on subsidies and countervailing duties, technical barriers to trade, and safeguards.

The entire Tokyo Round trade package will be brought together in a final act yet to be drafted. This will probably state the Round's overall objectives and commit signatory nations to examine and, if they wish, adhere to the various separate agreements concerning industrial tariff cuts and non-tariff barriers to trade and agricultural trade.

This final act, which would declare the signatory governments' willingness to join a new General Agreement on Tariffs and Trade (GATT), should be ready for signature by mid-April, and would govern international trade relations for the next 10 to 15 years. But negotiations on the actual articles of the individual accords and codes are likely to continue well into this year.

The final ratification procedure by participating governments is expected to begin only after it becomes clear that the package is likely to be approved by the U.S. Congress and Common Market governments.

Under the most optimistic scenario the new GATT would come into force in 1980.

Hovercraft outlook 'glittering'

BY LYNTON McLAIN

THE GREATEST demand for hovercraft in the 1980s is expected to come from developing nations. Mr. Roy McLeavy, vice editor of *Sunrise*, China and dimmers, says in a foreword to the latest edition published day.

Hovercraft are likely to be used in Africa, Central and South America, on Pacific lands and in China. These markets offered "glittering prospects" for the industry, with equipment used as amphibious trucks, freighters, light transports, barges, excavators and drill platforms, rice harvesters, cattle wagons and mobile hospitals.

Mr. McLeavy says that the low level of skill needed to build hovercraft make them ideal for local construction. His could provide work with aid from international funding programmes.

The experience of British hovercraft manufacturers is still

unmatched in the world, but the drive to sell the technology to Third World nations "will stir up stiff competition". The U.S., Canada, Japan, China and the Soviet Union have designed and built their own craft aimed at developing nations.

But, the British Government is still "indifferent to the hovercraft". Mr. McLeavy says this is the result of the failure of a number of sceptics in "key Ministerial positions" to recognise the hovercraft as a high dividend investment. Instead of an area of Government spending.

Member nations of the North Atlantic Treaty Organisation in Europe have a greater need than ever for versatile amphibious vehicles, he says. Existing craft are either obsolete or inadequate. But the Ministry of Defence had failed to encourage new designs.

Meanwhile the Soviet Union has developed hovercraft for

amphibious military roles, in a move which "adds considerably to the mobility, flexibility and strike power of the Warsaw Pact forces in the Baltic".

The Soviet Navy unveiled last year the Ivan Rogov, its largest amphibious landing ship, designed to carry three Gus assault hovercraft. The Gus can land a fully-armed platoon on a beach at 60 miles an hour.

The Soviet Aist, the only other military hovercraft in the world now in large-scale production, carries main battle tanks over seas, bogs and rivers.

The British Government, on the other hand, has no policy on military hovercraft development, Mr. McLeavy says.

Soviet energy boost

BY DAVID SATTER IN MOSCOW

THE SOVIET UNION last year sharply cut its trade deficit with West Germany, its principal western trading partner, as Soviet exports rose almost 20 per cent on the strength of increased deliveries of oil products and natural gas.

Figures released by the West German embassy show that West Germany imports from the Soviet Union in 1978 had a value of \$3.4bn (£1.4bn) a 19 per cent increase over the value of Soviet exports in 1977 which was \$1.45bn.

The increase was almost wholly accounted for by the 37 per cent rise in the value of Soviet deliveries of fuel oil, lubricating oil and natural gas. At the same time, the value of West German exports to the

Soviet Union fell 2.3 per cent to DM 6.3bn in 1978 from DM 6.45bn in 1977. This was the second year in a row that West German exports to the Soviet Union showed a slight decline.

Businessmen in West Germany foresee little improvement this year in exports to the Soviet Union of such large items as machinery and industrial equipment because of a lack of large orders last year.

Soviet deliveries of raw materials, however, should increase. The Soviets delivered some 6bn cubic metres of natural gas to West Germany in 1978, and this is expected to increase to 7bn cubic metres this year and to between 9.5bn and 10bn cubic metres in 1980.

Andes Pact engine deal

BY KIM FUAD IN CARACAS

THE RIVALRY between Ford and Renault for the manufacture of a six-cylinder engine in Venezuela and Bolivia under the Andes Pact automotive programme is ticking away again. A final decision is expected in about 90 days, according to Venezuelan Development Ministry officials.

The two companies simultaneously presented new tenders this week in Caracas and La Paz to manufacture 100,000 engines early—105,000 in Venezuela and the rest in Bolivia. It was the second round of bidding since last year when General Motors was assigned the first of six-cylinder engines called for in the regional pact which also includes Colombia, Ecuador and Peru.

The bidding became controversial last July when Venezuela announced that General Motors and Renault had won the two thirds, but then reversed the decision. Finally, in October, GM was awarded the first engine and a new round of bidding opened for the second.

In February, Venezuela and

Bolivia issued stringent new requirements for the second round of bidding. These included demands that the winner export 60,000 units outside the five-nation economic bloc and provide technology free of charge as well as other advantages.

Many of the demands reflected incentives that General Motors had included in its successful bid for the first engine.

Industry observers say that Renault holds an advantage over Ford in the bidding since it has an all-aluminium engine which has performed successfully in European markets since 1975. Ford's engine is still on the drawing boards, and, while it appears to be more versatile than Renault's, it will not enter the market until 1981.

Ford, however, has strong leverage because of its size as the major automobile maker in Venezuela with around 40 per cent of the over 122,000 units produced here last year. Moreover, many Venezuelan technicians view U.S. technology as better suited to local requirements.

UK clothing sales drive

BY MAURICE SAMUELSON

BRITAIN'S CLOTHING industry earned £725m in exports last year and is confident of achieving £1bn by the end of 1980. Mr. Hans Jacoby, chairman of the Clothing Export Council, said yesterday.

Speaking on the eve of next week's London fashion week, he said the industry was "alive and kicking".

If the UK economy permitted, manufacturers would have a bullish future for the next 10 years, with clothing exports reaching 20-25 per cent of domestic production, or 6-10 per cent over the present export ratio.

To achieve these targets, they would have to achieve deeper penetration not only of the EEC and EFTA markets but also of the U.S., Japan and third world countries, especially in Latin America.

Mr. Jacoby based his confidence on various factors, including the popularity of British textiles and designs, the level of the pound, and competitive wages and prices.

In addition, whatever the faults of the Multi Fibre Agreement regulating the international textile market, it had given the UK industry protection at home against unfair competition, enabling it to plan and invest more confidently.

Boeing 757 go-ahead

Full production will now start on the new Boeing 757 aircraft, the Seattle aircraft manufacturer announced following Eastern Airlines' formal signing of a contract last week to buy 21 of the jets. David Buchan writes. The 757 will be powered by Rolls Royce engines, which are an advanced version of the RB-211 engines already used on the Lockheed L-1011 aircraft.

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UK word processors 'lagging behind'

BY JOHN LLOYD

THE National Enterprise Board should encourage a foreign-owned multinational to establish a plant in the UK to manufacture word processors—electronic typewriters combined with computers—to compete with British companies.

This is one of the recommendations of a report by the office machinery sector working party of the National Economic Development Council, published today.

The report says that the UK office machinery industry continues to deteriorate relative to its major competitors, and that "manufacturers have, with a few notable exceptions, not so far successfully switched to electronic-based product lines where the market growth is fastest."

In another report from the NEDC published today the automation and instrumentation

sector working party also stresses that moves from lower to higher technology products must be continued, and quickened, though it notes that the industry is relatively well placed, with a positive trade balance in 1977 of £233m.

In contrast, the trade balance in office machinery shows a deficit of £190m in 1977, up from £163m in 1976 and £49m in 1975.

The office equipment report says that future success in the office machinery market is "inextricably bound up" with the future of UK electronics components and computer manufacturers, because of the progressive incorporation of electronics into office machinery.

"That trend makes all the more disturbing the trade deficit of nearly £200m in 1977 for the more broadly defined

category of office equipment that takes in computers and computer peripherals."

The report is a sombre one for the three major product groups studied—photocopying equipment; cash registers, facsimile transmission microfilm and mailroom equipment; and automated office products.

The report says that the three new products launched by the copier industry in 1978 were all at the "high" end of the market. "The UK sector's position remains vulnerable to continued heavy imports at the 'low end' of the market."

The report says that the U.S. and Japan have already established massive strengths in cash registers and associated equipment. Marketing operations overseas are essential to generate higher volume and encourage investment, and this

should be with the assistance of the Government.

On automated office products, the report notes that only 5 per cent of word processors now in use in the UK were manufactured in Britain. The Government should become closely involved in the sector, both by encouraging a large multinational plant through the NEB, and also act as "a catalyst for change and development, working closely with industry to specify needs and, as appropriate, application areas and possible markets."

The report on automation and instrumentation is more buoyant, though it says that there is a shortage of skilled labour amounting at times to 30 per cent of requirement, and that, in many products, world market opportunities have not been taken up.

Multinational activity in this sector is very high—foreign ownership is as high as 65 per cent in some sectors—but where UK companies are not linked to multinationals, they are at a competitive disadvantage.

"If the UK industry generally is slow in adopting new micro-electronic applications, the automation and instrumentation sector will lack a firm home market base for new products, with the result that it could miss out on new export opportunities and subsequently be overtaken even in the home market by more advanced products developed by overseas competitors for their own home markets."

Reports of the Office Machinery and Automation and Instrumentation sector working parties: National Economic Development Office, Millbank Tower, Millbank, London SW1P 4JX.

Army of diggers cry for a patch of soil

By Christopher Parkes

EVEN THOUGH the price of fresh vegetables has tumbled the excessive levels of the drought-stricken 1975 and 1976 growing seasons, Britons are still clamouring for a chance to get their spades into a little patch of land they can call their own.

The conservationist group Friends of the Earth claims that there are still more than 120,000 people on waiting lists for local council allotments.

At the same time, the group estimates there are some 220,000 acres of derelict and despoiled land lying idle in Britain and a further 55,000 acres unused in Scotland and Wales.

In an attempt to bring some of this land into production FOE has just published an "allotments campaign guide" for individuals and groups interested in persuading the owners of these waste acres to allow them to be salvaged by volunteer armies of diggers and hoers.

The group also has called for a government survey of all waste land, and they want local authorities to be empowered to licence temporary allotments on any land lying idle for five years or more.

The Manpower Services Commission should be instructed to start land reclamation and authorities should be ordered to clear their allotment waiting lists by reclaiming waste acres and handing them over to the public, the group says.

Even though vegetable prices have come down from recent peaks, national spending on fruit and vegetables is still £1.45bn more than it was seven years ago, the group says and a family allotment could cut shopping bills for fresh produce by as much as £130 a year.

RESTRICTIVE PRACTICES

Reviewers urge stronger, more flexible law

BY PAUL TAYLOR

THE THREAD running through the recommendations in the Government's Green Paper on restrictive trade practices policy, published yesterday, is that existing competition law should be strengthened but made more selective and flexible.

The review body, comprising senior civil servants and economists from government departments, which prepared the Green Paper, says that existing legislation has proved effective in removing restrictive agreements in relation to goods and has contributed to improved industrial efficiency.

However, it argues that there are some grounds for criticism: in particular, the legislation is too inflexible and so may deter or prevent both "insignificant and significant but desirable" agreements. The major thrust of the Paper is that flexibility should be increased, mainly by broadening the discretionary powers of the Director General of Fair Trading; that the means of enforcement should be strengthened by the introduction of discretionary fines for failure to register agreements and by making collusive tendering a criminal offence.

The review body rejects the idea of a fundamental change in the approach to restrictive trade practices to bring UK legislation more in line with that in the European Community.

To change the basis from specific restrictions to the "effects based" system—a general system based on the control of arrangements and agreements which have the effect of restricting competition—would "result in upheaval and cost to industry" and it was unlikely that the benefits would outweigh the disadvantages.

However, a much wider role for the Monopolies and Mergers Commission is suggested to control anti-competitive practices which are not covered by present law.

The major changes in the law needed to achieve the general objectives and set out in the Green Paper are:

- The introduction of a two-part register of restrictive agreements with the director general of Fair Trading given discretion not to proceed against insignificant cases.
- Giving the director general power and discretion to approve cases without taking them before the Restrictive Practices Court. This, it is argued, would improve flexibility.
- Powers to prevent the continued operation of a undesirable agreement pending a full court hearing either by amending the existing law or by giving the director general the power to make orders.
- The introduction of discretionary fines for failure to register registrable agreements.
- Giving the director general power to refer certain non-registrable agreements, arrangements and practices adversely affecting competition to the Monopolies and Mergers Commission for full investigation or to accept an undertaking from those involved that they will stop the practice, even where no statutory monopoly exists.
- Giving the Secretary of State for Prices and Consumer Protection back the power to act on a Commission report.

Criminality

● The introduction of a ban on defined agreements which have been found to be against the public interest, for example, collusive agreements which the reviewers recommend should be made illegal and the power to prohibit other forms of agreements.

The Green Paper says these measures would give "more coherent" controls and adds that the relationship between the Office of Fair Trading, the Monopolies and Mergers Commission and the Price Commission also will have to be examined.

On the controversial question of making some infringements criminal offences, the Paper says that because of the "growing evidence" of evasion relating to collusive tendering, and because of the fraudulent nature of the practice, criminal charges should lie.

Bid to delay Coal Board Belvoir plan inquiry

BY JOHN LLOYD

OBJECTORS to the National Coal Board's plans to develop a 10m tonnes a year mining complex in the Vale of Belvoir in north-east Leicestershire want the inquiry into the project put off for at least a year.

The preliminary stage of the inquiry, which will set the agenda for the main proceedings later this year, begins on May 8.

The alliance of anti-Belvoir groups, made up of the National Farmers Union, the Vale of Belvoir Protection Group and the Vale of Belvoir Parish Councils Committee, say that the inquiry should wait until the Commission on Energy and

the Environment, chaired by Lord Flowers, has reported in about two-years time.

In a letter to Mr. Peter Shore, the Environment Secretary, they say that the inquiry decision would have to be made before the Coal Board case could be tested against the wider criteria laid down by the commission and might well conflict with them.

"Surely it is a matter almost of common sense not to proceed with this inquiry at this juncture, but for those most closely concerned to direct their energies to ensuring that the commission is properly informed on all relevant matters without delay," says the letter.

Food group 'flouted obligations'

INTERNATIONAL STORES,

the food retailing group, deliberately flouted its obligations under a lease by closing an unprofitable supermarket and leaving it empty, a High Court judge said yesterday.

The company said it was a "correct commercial decision."

Mr. Justice Slade commented: "If this is the standard by which they judge the correctness of their commercial decisions, I have some sympathy with the persons who find themselves doing business with them."

The judge "reluctantly declined" to grant an injunction in a pending action by Braddon Towers, a subsidiary of Allied London Properties requiring International Stores to re-open as a supermarket at Vincent Park Estate shopping centre, Sittingbourne, Kent, owned by Braddon Towers.

The judge said International Stores had committed a serious breach of covenant, without any apparent regard for Braddon Towers, or the occupants of the other shops.

He said the law did not allow the court to compel someone to carry on a business.

He gave directions, however, for an early trial of the action, in which Braddon Towers will claim damages against International Stores.

Fire losses soar after Bolton blaze

BY ERIC SHORT

ONE FIRE, which caused £10m worth of damage was the chief reason for fire damage costs in February soaring to £33.8m, according to figures released yesterday by the British Insurance Association.

The £10m disaster occurred in mid-February at the filter manufacturing plant of Automotive Products in Bolton, Lancashire. The factory, a total write-off, was the largest single item of fire damage since the Flixborough explosion in June 1976.

February's figures were also boosted by three other £1m-plus fires, including one at Waring and Gillow's furniture store in

the centre of Reading, costing nearly £2m.

Although last month's damage costs were only £3.5m up on the previous month, they were nearly £100m above those for February last year. Fire damage costs have now exceeded the £30m mark in each month from September, with the exception of December. This level had previously only been reached during the firemen's strike period and the Flixborough disaster.

Altogether there were nine fires where damage exceeded £250,000 and a further 76 costing more than £35,000 each.

Plant managers warned of oil tank danger

THE HEALTH and Safety

Executive has started a campaign to warn factory managers of the dangers of heavy fuel oil tanks exploding. The warning follows an investigation by the executive into a series of blasts and fires.

The investigators found most of the explosions were caused by overheating and the build-up of dangerous concentrations of oil vapour within the tanks. The

main reason for this was that thermostats in the tanks were not immersed in the oil and unable to control temperatures properly.

The executive said yesterday that factory managers needed to check that tank heaters and thermostats were always immersed in oil. Extra precautions had to be taken during cold weather or when there was any likelihood of oil supplies being interrupted.

Lucas review wins award

LUCAS INDUSTRIES' 1978

annual review has won the major companies' section of the annual employee reports competition organised by Accountancy Age magazine and the Industrial Society.

The Mobile Training Cup was presented to Mr. James Shield, director and treasurer of Lucas Industries, in London.

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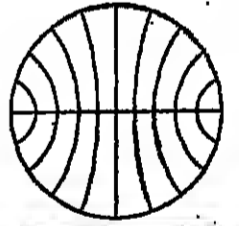
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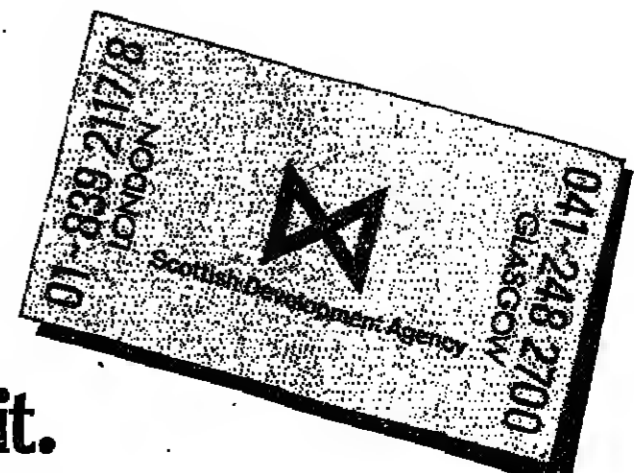
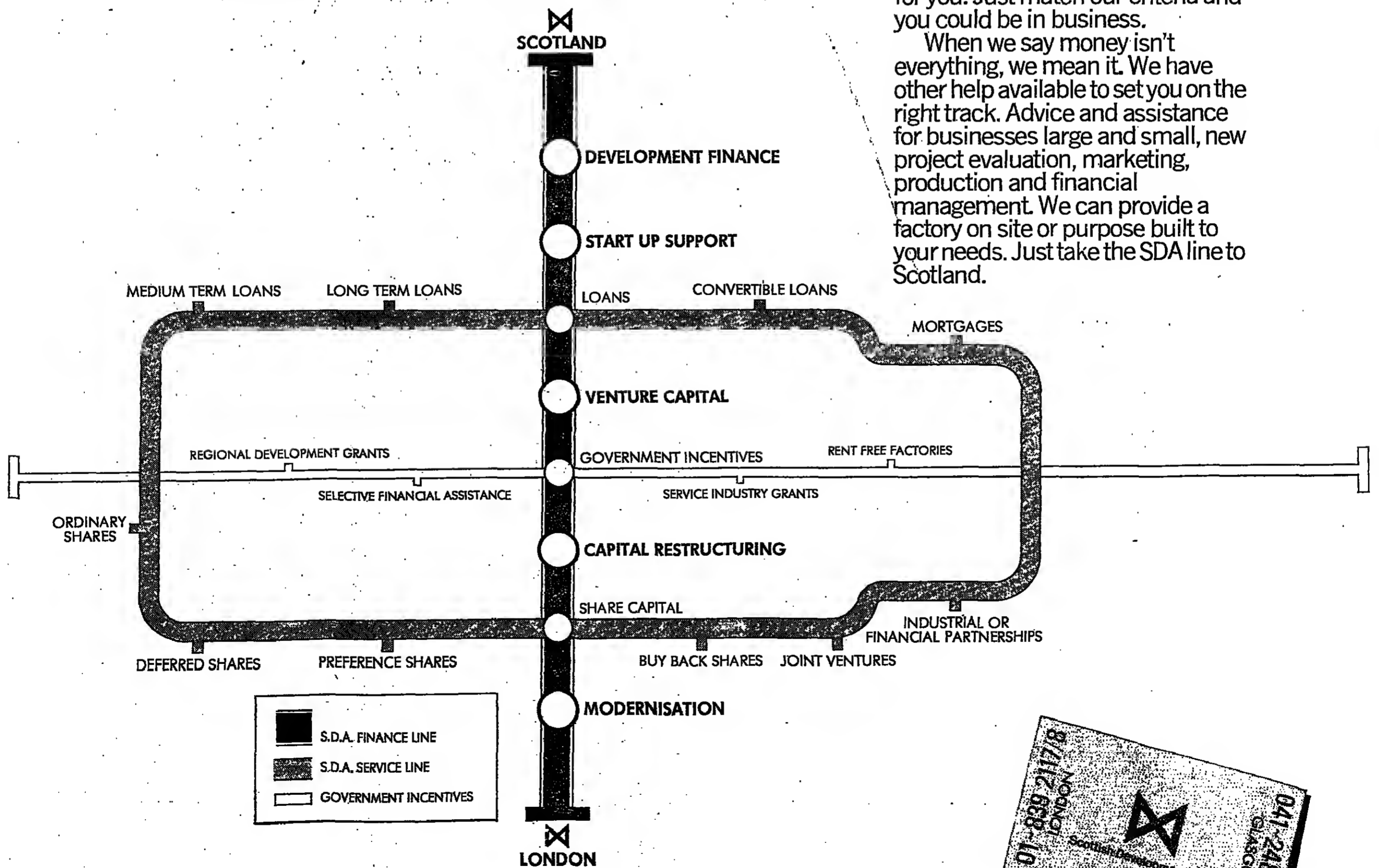
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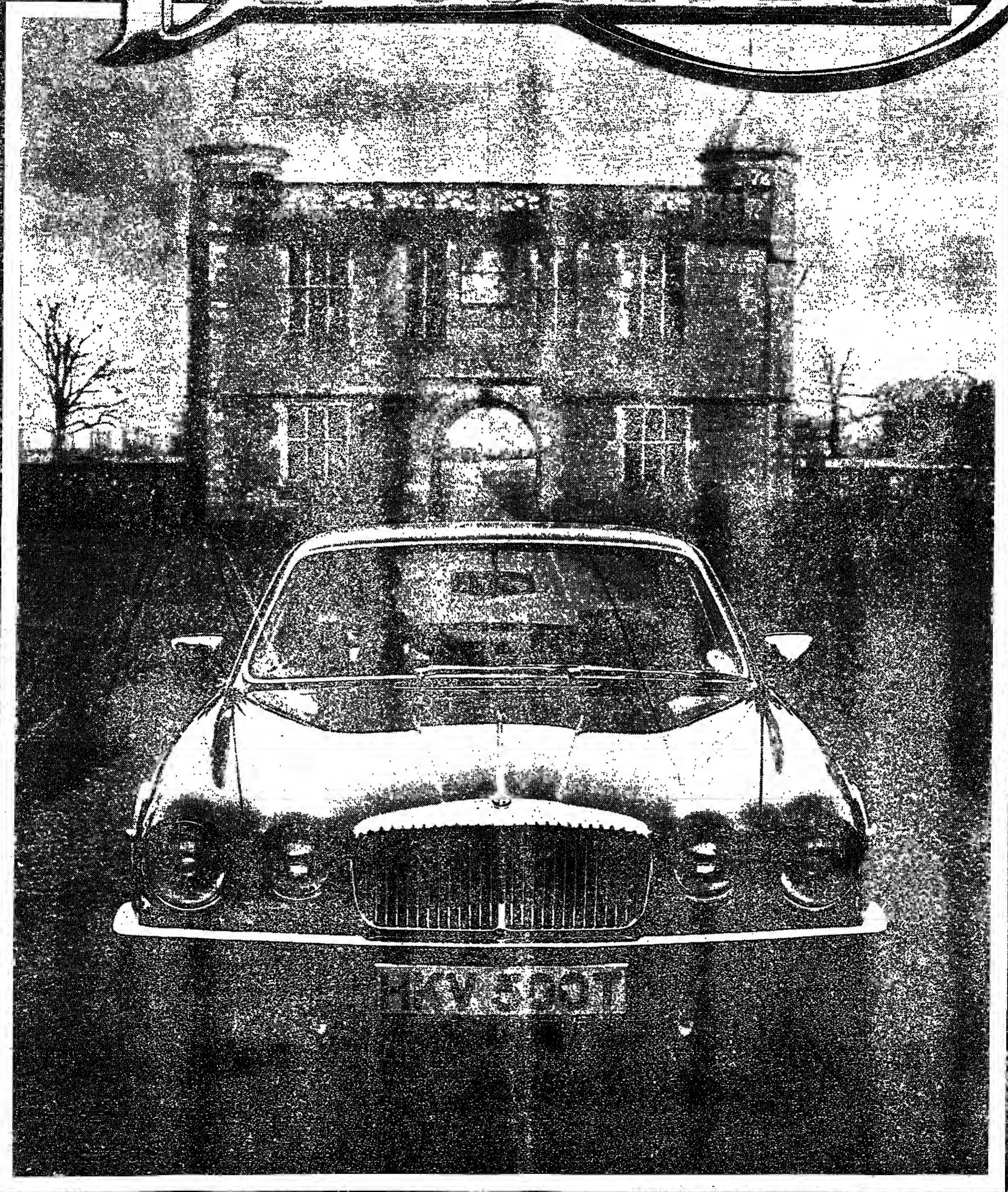
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ECONOMIC VIEWPOINT

The dubious case for import controls for all

IN INCREASING number of people have been asking me what is wrong with the Cambridge view that dramatic steps must be taken to stop the flood of imports...

Cambridge writers threaten to reach over \$70bn in 1985 (in constant dollars of 1975 value). It is not enough to gulp with amazement at these findings because the numbers are large...

The programme differs in several important respects from the conventional demands of the free traders of world recession. With the emphasis now on Japan rather than Germany...

1) That the trends of the last two decades will continue and that normal price mechanism adjustments through exchange rate changes or differential wage growth are powerless to stop them...

TRADE IN MANUFACTURES (%). Shares of world trade in manufactures. Ratio of volume of manufactured imports to GNP.

GNP GROWTH RATES (% per year). 1965-73, 1973-75, 1975-78.

that they might have made an opposite diagnosis in the earlier postwar years by referring to the supposed dollar shortage of that period...

Carter Administration—and before it the Nixon one—was stimulating U.S. demand because of the overall unemployment percentages...

Two final points. First, the Review points out that world problems would be eased, although not eliminated, if there were more toleration for a U.S. current account deficit...

Bacon and the MCA system. In the General Secretary's opinion of Professional, Clerical and Industrial Union...

Party's election fund and found it interesting to compare this with amounts that the UK brewing industry is reported to have donated to the Conservative Party...

should make a fixed annual contribution to the capital costs of the road programme; that purchases "ready availability" a valuable commodity...

Equity in homes. From the Joint Chairman, Conference of Private Residents Association. Sir, in his report (March 26) on Gibson's City of Manchester...

Building labour. From the Director, Federation of Associations of Specialist and Sub-contractors. Sir—Mr. D. Brown (March 23) is right to warn against possible dangers...

Revenue from invalids. From Mr. J. Sheffner. Sir—If an employer arranges a group health scheme for his employees, the premiums are usually allowed as a business expense...

Roads and taxes. From Mr. D. Lindsay. Sir—Dr. Potter's logic (March 21) is no harder to follow than his economics...

Brewers' gifts to Tories. From Mr. C. Mitchell. Sir—I read with great interest that the Transport and General Workers' Union is in a state of £150,000 in the Labour...

Today's Events

- GENERAL: UK: Edge Hill, Liverpool, by-election. National Housebuilding Council statement on prospects for 1979. Sir Derek Ezra, NCB chairman, gives Institute of Fuel lecture on need for energy insurance policy...

Meet the Royal Mail Marketing Team. 1978/9. A group of people sitting around a table with a line graph showing an upward trend. Names include Albert Vandy, Dick Wheelhouse, Neil Taylor, Mike Pugh, Dan Roberts, Brian Stark, Mike Hayes, Stan Kirken, Neil Taylor, Mike Pugh, Dan Roberts, Frank White.

19,000,000 more parcels. That's the new business we've signed up in the last twelve months from people like Scotcad, Argos Distributors, IPC Magazines, Hoover Ltd., Sutton Seeds, Black and Decker, to name but a few. And hundreds more companies, large and small are doing business with the Royal Mail marketing team.

Revenue from invalids. From Mr. J. Sheffner. Sir—If an employer arranges a group health scheme for his employees, the premiums are usually allowed as a business expense and so are offset against corporation tax...

Roads and taxes. From Mr. D. Lindsay. Sir—Dr. Potter's logic (March 21) is no harder to follow than his economics. The losers from the suggested changes in the car licence and fuel taxes will overwhelmingly be country people...

The housing Bill. From Mr. R. Jensen. The description "election window-dressing" attributed to the Conservatives in respect of the Government's Housing Bill (your report, March 23) is certainly justified in the context of the security of tenure provisions for council tenants...

Advertising on the BBC. From Mr. R. Brooks. Sir—I fully support the letter from Mr. R. Ernest (March 15). The local radio station—BBC not commercial—in my area is Radio Medway and it regularly includes the promotion of special trips by British Rail...

Building labour. From the Director, Federation of Associations of Specialist and Sub-contractors. Sir—Mr. D. Brown (March 23) is right to warn against possible dangers inherent in a move towards construction union registration...

Revenue from invalids. From Mr. J. Sheffner. Sir—If an employer arranges a group health scheme for his employees, the premiums are usually allowed as a business expense and so are offset against corporation tax...

Roads and taxes. From Mr. D. Lindsay. Sir—Dr. Potter's logic (March 21) is no harder to follow than his economics. The losers from the suggested changes in the car licence and fuel taxes will overwhelmingly be country people...

Brewers' gifts to Tories. From Mr. C. Mitchell. Sir—I read with great interest that the Transport and General Workers' Union is in a state of £150,000 in the Labour...

INTERNATIONAL COMPANIES and FINANCE

NORTH AMERICAN NEWS

Bank of Montreal calls off Bankers Trust deal

BY OUR FINANCIAL STAFF

ANKERS TRUST, the eighth largest U.S. bank, and Bank of Montreal, have failed to reach agreement on the sale of 80 Bankers Trust branches in New York to the Canadian concern. The deal, which would have valued the transfer to Bank of Montreal of some \$1bn of retail banking assets and would have given the Canadian bank significant foothold in the New York retail banking market, ended on the question of Bankers Trust's credit card business. Bankers Trust said that the ending of negotiations is the result of inability to agree on a basis of sale for the credit card operation, and on the terms of providing continuing operating and other services by Bankers Trust to Bank of Montreal during the transition period. The original announcement of the sale in November said that

talks over the credit card business of Bankers Trust, which has some \$400m of assets, were at a preliminary stage. Mr. William Mulholland, the Bank of Montreal president and chief executive, told a news conference on Tuesday that the bank was insisting that the credit card business should be part of the transaction, but that Bankers Trust was arguing that it had the right to sell that business separately. Mr. Mulholland said that a credit card operation was essential to the Canadian bank's successful entry into the New York retail banking market. Bankers Trust said yesterday that it is considering other sale options that are consistent with its corporate strategy, which places increased emphasis on the bank's strengths in the wholesale commercial banking, trust and money market business.

Judge rules on letters of credit

By Stewart Fleming in New York

A NEW YORK State supreme court judge has ruled that two of the world's leading international banks cannot be prevented from meeting their commitments under letters of credit to the Iranian government, even though the agreements were entered into before the collapse of the Shah's regime. Although the decision was appealed by AT and T on a point of law to the New York Supreme Court, appellate division, legal experts suggested that the judge's opinion was so sweeping that the Court is unlikely to overturn it. There have been fears that if the attempt to prevent banks from meeting any payments succeeded, the letter of credit as a financial instrument would be seriously devalued. Currently U.S. banks have an estimated \$24m of such commitments outstanding. The letters of credit cover downpayments made by Iran to the U.S. companies, with the understanding that Iran could demand repayment at any time. The cases which Judge Michael J. Donohue decided were brought by American Telephone and Telegraph and a subsidiary against Manufacturers Hanover Trust and by GTE International and GTE Iran against Manufacturers Hanover and Credit Lyonnais. Arguing that its contract with Iran has been breached since the revolution, and that it is owed substantial sums under cancellation provisions, AT and T sought to block payments to Iran under the letter of credit. In his decision that the conditions of the letter of credit still apply in spite of the change of government in Iran, Judge Donohue says that the present Government of Iran has succeeded to the position, rights and obligations of the former Government. He agrees that the application of a letter of credit is separate from the underlying business transaction, suggesting that AT and T has the opportunity to go to the courts for relief on its complaint. The Iranian Government has not made claims on the letters of credit.

EUROBONDS

Firm improvement in dollar sector

BY FRANCIS GHILES

PRICES OF seasoned dollar bonds, underpinned by a steady U.S. dollar, improved by about 1/2 of a point across the board yesterday in mostly professional dealing. The \$22m convertible for Essette has been priced at par with indicated terms otherwise unchanged. The lead managers, Hambros and Svenska Enskilda Banken, fixed a conversion premium of 5.6 per cent. Bearing 7.75 per cent annually, the bonds are convertible starting September 15 into class B shares of the company at a conversion price of SKr 139 per share of SKr 50 nominal amount. The shares were quoted at SKr 150 1/2 on Tuesday. The Essette convertible was quoted at 97 1/2 yesterday during its first day of trading by the lead managers—one point

below the selling group discount. The effective conversion premium has thus been reduced to just below 3 per cent. The lack of enthusiasm showed by a number of institutional investors for this convertible is attributable to two factors. Though the Essette stock price track record is a good one, lack of knowledge about the Swedish stock exchange remains considerable. Another problem is that this convertible is the first for a Swedish company that offers no currency option for the payment of interest and principal. The \$35m FRN for Texas International Airlines was priced at par with indicated conditions otherwise unchanged by the lead manager, Kidder Peabody. In the sterling sector, prices of seasoned issues moved up during the morning but profit-taking pushed them down in the afternoon. However, on the day, they were about 1/2 of a point higher. In the Swiss franc sector of the market, prices of seasoned public issues were unchanged for the third day running. The recent SwFr 250m for Australia was quoted at 98 1/2. Union Bank of Switzerland has arranged a SwFr 50m convertible in the form of a private placement for Okumura. This issue, which carries a coupon of 3 1/2 per cent, has been priced at par. The three big Swiss banks appear to have decided at their meeting last Thursday that they would limit themselves to issuing a maximum of two Japanese

Soclat maintains home output

IN FRANCISCO—Standard Oil

California (Soclat) said in its annual report that it expects to maintain domestic oil production "at least at current levels" for the next few years and plans to increase domestic natural gas production capacity in 1979. In its foreign operations, Soclat said it plans to participate in drilling exploratory wells in additional areas such as Iran and Indonesia and of the

east of Gambia, Ireland, Brazil, and in the East China Sea between Korea and Japan. Soclat said previously reported 1978 net income was reduced by \$4.32 a share by world-wide income taxes. 26 cents a share from complying with Government regulations, and 36 cents a share from environmental expenditures. Soclat earned \$6.48 a share in 1978, up from \$5.88 in 1977.

Soclat said it has no specific plans to alter its investment in Amstar, Soclat, which owns 20 per cent of Amstar, had made a proposal to acquire the remaining 80 per cent, but was turned down by the Amstar directors in September. The company said the high boost in crude oil prices will undoubtedly lead to further increases in the prices for all petroleum products this year. Reuter

Ashland Oil increases dividend

NEW YORK—Ashland Oil is creating its dividend from 40 cents to 50 cents a share, payable June 15 to shareholders on record at May 21. The company said its earnings for the first five months of the fiscal year ending September 30 are up about 50 per cent over the corresponding 78 period. Earnings per share

are up over 80 per cent as a result of Ashland's purchases of nearly 10m shares of its common stock earlier in the fiscal year. The board has authorised the further purchase of up to 5m shares at a maximum price of \$4 1/2 a share. The new purchases will be made on the open market or in block transactions. Reuter

The company also said the sales of its domestic oil and gas properties for a total of \$74m are anticipated to be closed during April and May, subject to the completion of definitive contracts and satisfaction of customary closing conditions. Reuter

Pulp venture hits CVRD

COMPANHIA Vale do Rio Doce

(CVRD), Brazil's giant State minerals conglomerate and the country's major single exporter, suffered a drop in profits in 1978. The 1977 net profit of Cr 1,640m (\$51.8m) dropped to Cr 951.6m (\$43.3m) in 1978. A 20 per cent nominal drop greatly increased in real terms by Brazil's 40.8 per cent inflation last year. Profit margin slipped from 10.6 per cent in 1977 to 6.1 per cent in 1978 and return on average net assets from 7.5 per cent to 3.6 per cent. At the end of 1978, net assets totalled \$1,860m, while circulating liabilities totalled \$360m and long-term liabilities \$626m. CVRD's annual report attributes the major part of its overall drop in profits to its pulp subsidiary, Cenibra, a joint venture with Japanese interests, which ran up an operating loss. Due to serious technical problems in its first year of operation, Cenibra had a negative effect of Cr 290m (\$12m) on CVRD's results. By the end of 1978, CVRD states, the problems had been overcome and, in 1979, the unit should be able to produce 500,000 tonnes of its 250,000-tonne annual capacity. Formed several decades ago with the express purpose of mining and marketing Brazil's abundant iron ore, CVRD embarked on an expensive, ambitious, diversification pro-

gramme from the early 1970s on, branching out into bauxite, alumina, aluminium, phosphates, fertiliser and pulp projects, as well as shipping and rail transport. In mid 1978 a new president, Sr. Joel Rennó, was appointed to CVRD. Thereafter, attempts were visibly made to rationalise the company's operations and From Rio de Janeiro, DIANA SMITH analyses Brazil's State-run minerals producer

CVRD's total debt—short and long term, foreign and domestic—reflects the financial onus of its diversification: of \$883m owed to Brazilian or international institutions, \$717m have been loaned by official or private foreign bodies including Eximbank, the Chase Manhattan Bank, Mitsubishi Bank, the Bank of Tokyo and syndicates led by the Bank of America, Industrial Bank of Japan, Chemical Bank International and the Wells Fargo Bank. The bauxite, alumina and aluminium projects, involve heavy foreign participation in the long run, they are expected to justify initial outlays by helping to make Brazil self-sufficient in these areas, and by greatly increasing exports. The same long-range view applies to the Cenibra pulp project. Meanwhile CVRD succeeded in stepping up iron ore sales to West Europe to 17.0m tonnes—10.4 per cent more volume than in 1977. The Americas to 4.2m tonnes—61.6 per cent more volume than 1977, and East Europe to 4.2m tonnes, 15.5 per cent more volume than in 1977. While the volume exported to Japan dropped by 9.8 per cent, CVRD opened a new Asian market in China, which has placed a two-year order for 4m tonnes. CVRD hopes to develop this market further in the years to come.

MEDIUM-TERM CREDITS

Republic Steel raises \$36m

By Our Euromarkets Staff

REPUBLIC STEEL of the U.S. has signed a \$36m revolving credit and medium-term loan in London, for over eight years, obtained from a group of international banks. Citicorp Bank announced. The facility carries a spread of 1 per cent over interbank rates for the first four years and 1 1/2 per cent over for the remainder. Banco Nacional de Cuba is arranging a DM 300m seven-year Eurocredit from a group of banks headed by Credit Lyonnais. The spread is 1 per cent for the first three years, and 1 1/2 per cent thereafter. Costa Rica has signed a \$50m loan agreement with a banking group led by Chase Merchant Banking Group. The 10-year facility carries a spread of 1 per cent. Proceeds will be used to finance harbour developments, with \$26.5m earmarked for the refinancing of two earlier loans to Costa Rican state borrowers. Two Arab consortium banks, the Al-Araf Bank and Arab Latin American Bank, are managing a \$20m 10-year loan to Banco Nacional de Fomento of Ecuador. Spreads range between 1 and 1 1/2 per cent over interbank rates.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published the second Monday of each month.

Table with columns: DOLLAR RAISINGS, Change on day, Bid, Offer, day, week, Yield. Lists various international bonds like Int. F. XW 7 1/2, CA 8 1/2, etc.

Cities Service write-down

TULSA—Cities Service said its 1978 net profit was reduced to \$118m or \$4.27 a share from the previously reported \$202.5m or \$7.32 a share because of a write-down of investment in its industrial chemicals complex at Connerhill, Tennessee. The charge to pre-tax income was \$158.8m and to net income \$85.5m, or \$3.09 a share. The company had 1977 earnings of \$310.2m or \$7.62 a share. The Board said previously that the Connerhill facilities had incurred losses in each of the years since a modernisation and expansion project was completed in 1978. Modifications completed in 1978 did not produce the operating reliability or costs necessary to meet overseas competition for iron pellets. As a result, the company announced on March 13 that it would cease operation of the pellet facilities, a significant part of the total complex. Cities Service said the new figures include an adjustment for employee benefit accruals of about \$1m. Reuter

Federal move in Sears suit

WASHINGTON—The Justice Department has filed in the Federal Court seeking dismissal of an anti-discrimination suit brought by Sears Roebuck. Mr. Griffin Bell, the Attorney General, said the court lacks jurisdiction in the matter and Sears has failed to stake a claim upon which relief could be granted. Sears filed the suit in January alleging that past practices of 10 Federal agencies have been responsible for creating a racially and sexually unbalanced work force in which white males predominate. The company charged that as a result of government policies, private employers are prevented from achieving the kinds of racial and sexual balances among employees demanded by the Federal agencies. Mr. Bell said in a brief filed in U.S. district court here: "Simply put the complaint is a political essay, not a lawsuit." Reuter

Eastman Kodak

Eastman Kodak expects to spend \$609m this year on capital expansion compared with \$422m in 1978, the company said in its annual report. Most of the capital budget of \$422m is for the photographic division. AP-DJ reports from Rochester.

Gamble-Skogmo

Gamble-Skogmo is raising its quarterly dividend from 35 cents to 37 1/2 cents a share, payable April 30. Reuter reports from Minneapolis. The increase reflects improvement in the company's two major business groups, merchandising and financial services.

FENOSA advertisement for FUERZAS ELÉCTRICAS DEL NOROESTE, S.A. featuring a large logo and text: TERM LOAN ¥8,000,000,000. CHASE MERCHANT BANKING GROUP. THE SUMITOMO TRUST AND BANKING COMPANY, LIMITED. THE LONG-TERM CREDIT BANK OF JAPAN, LIMITED.

COMPANIES Markets INTNL. COMPANIES and FINANCE

MALAY-DESIGNATED AGENCIES

State raises financial stake by 60%

BY WONG SULONG IN KUALA LUMPUR

MALAYSIAN Government increased the financial allocations to its "Malay-designated companies" by 60 per cent to RM 376m under the mid-term review of the third Malaysia plan to enable them to achieve the twin objectives of creating a stable-running business community and ensuring that at least 30 per cent of the modern corporate sector is in Malay control.

Since it was launched a year ago, it had invested more than 50m Ringgit in shares, and currently it is a major shareholder in such companies as Sime Darby, Kuala Lumpur Kepong, East Asiatic Malaysia, and Malaysian Tobacco Company, as well as in other smaller, but profitable, companies.

businessmen, has received the relatively small increase in allocation of 315m to 338m Ringgit. The Malaysian Ministry of Trade and Industry has approved foreign investments in Malaysia totalling 159.4m Ringgit so far this year, Reuter reported from Kuala Lumpur.

Merlin rises faster growth rate

Our Kuala Lumpur correspondent MERLIN, the Malaysian and property group, has had a 30 per cent rise in profits to 2.8m Ringgit (\$1.27m) for the first half of the year.

Email returns to negotiation

BY JAMES FORTH IN SYDNEY

THE STRUGGLE for control of the white goods maker, Kelvinator Australia, moved from the sharemarket to the negotiating table yesterday after the disclosure that Simpson Pope Holdings was the mystery buyer which had been contesting Email in the market.

Explaining their actions, the Simpson Pope directors said that their company and Kelvinator had had a close association over a long period and had been implementing a programme of product rationalisation when it became apparent about six weeks ago that there had been increased levels of share turnover in Kelvinator.

recent days. It appeared that rival bidders were endeavouring to gain a strategic position and had pushed the share price to levels which the directors believed to be unrealistic. They said that Email had foreshadowed a partial offer of A\$2.30 cash for up to 50 per cent of the capital but, unless, and until, it materialised the directors felt unable to comment other than to say that it would appear to be discriminatory and would not treat all shareholders equally.

then make a bid at whatever price level they wished. However, some observers believe Email and Simpson Pope will try to obtain a compromise involving a joint offer to acquire the remaining shares in Kelvinator at a price above that originally offered by Email, but below the heavy levels touched during the market battle.

Parent vs upturn

Parent, the major Japanese financial credit company, has had a 12.4 per cent rise in profit to end 1978 (S\$4.78m) from Y8.45bn ear before, Reuter reports Tokyo.

Trust Bank recovery under way

BY JIM JONES IN JOHANNESBURG

TRUST BANK, the South African general bank which is slowly recovering from its problems of two years ago, has revealed a 90 per cent profit improvement to R1.5m (\$1.77m) compared to R757,400 for the six months to December 31, 1977.

cost of new funds has been cut by a considerable narrowing of the gap in interest rates on the bank's negotiable Certificates of Deposit.

The interim report points out that earnings on the bank's large property portfolio have shown no noticeable improvement, while financing of the property portfolio has still to be re-formulated.

JAPANESE SHIPBUILDERS' ANNUAL DIVIDEND

Table with 2 columns: Shipbuilding company and Dividend (yen per share) for 1978-79 and 1977-78.

The table above gives details of cuts in dividends made by Japanese shipbuilders for the fiscal year 1978-79. The background to the cuts was described in today's issue.

FVB portfolio changes boost turnover

BY JIM JONES IN JOHANNESBURG

THE SOUTH AFRICAN investment company Federale Volksbeleggings (FVB) has reported a 136 per cent increase in turnover to R425m (\$505m) (1977, R181m) for the 12 months to December 31.

cessor subsidiary Federale Voedsel acquired a 51 per cent interest in major South African flour miller, Routs. Meantime, in a move away from indirect portfolio holdings, it is planned to sell the 66 per cent holding in furniture manufacturer, Asmar, effective April 1, while simultaneously repurchasing Asmar's major assets.

ary shareholders only managed a 16 per cent increase to R3.5m. FVB maintained its interim dividend at 7 cents, and has declared an additional special interim of 4 cents for the 6 months to December 31.

Hutchison-Boag hopes to be out of the red this year

BY HUGH PEYMAN IN HONG KONG

HUTCHISON WHAMPOA's construction and trading subsidiary, Hutchison-Boag hopes to return to profit this year after reporting an increased attributable loss of HK\$33.77m (US\$6.9m) for 1978, nearly three times its HK\$11.25m 1977 loss.

the first half for losses incurred by the group's construction and contracting divisions. The group went into deficit in the second half of 1977 and the losses mounted as increases in labour and material costs incurred in its construction work.

Sharp rise at Singapore steel mill

By H. F. Lee in Singapore

SINGAPORE'S only steel mill, National Iron and Steel Mills, last year recorded a substantial rise in profits. Group profit after tax increased 77.4 per cent to S\$21.7m (US\$9.95m).

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PHILIPPINE-SINGAPORE PORTS CORPORATION "PHILSINPORTS" (a subsidiary of Landoil Resources Corporation). Saudi Riyals 79,443,178 (U.S. \$23,800,000 equivalent).

ESSELTE AKTIEBOLAG (Incorporated in the Kingdom of Sweden with limited liability). U.S. \$25,000,000. 7 3/4 per cent. Convertible Subordinated Bonds 1989. ISSUE PRICE 100 PER CENT.

Table with 2 columns: Bond Index and Average Yield. Includes VONTOBEL EUROBOND INDICES and CLIVE INVESTMENTS LIMITED.

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With effect from 12th April 1979 the following will be appointed to the Board:-

- D. L. Hagan (Chairman)
P. J. S. Andersen (Managing Director)
D. B. Buik
R. V. Fletcher
G. V. Harnett
P. R. Heard
G. G. A. Monty

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CURRENCIES, MONEY and GOLD

Pound nervous; dollar steady

Nervousness ahead of last night's crucial vote in the House of Commons put sterling under pressure in yesterday's foreign exchange market, and selling during the afternoon left it at around its weakest level for the day.

The D-mark has fallen by 0.3501 per cent from its central rate, compared with 0.3848 per cent on Tuesday and the Belgian franc has depreciated by 0.9235 per cent compared with 0.9235 per cent previously.

Since the beginning of the system therefore, the lira has strengthened against the krona by 0.10 per cent (compared with a strengthening of the krona over the lira on Monday of 0.05 per cent); the punt by 0.22 per cent (0.60 per cent); the guilder by 1.15 per cent (1.15 per cent); the French franc by 1.36 per cent (1.23 per cent); the D-mark by 1.51 per cent (1.52 per cent); and the Belgian franc by 2.10 per cent (2.06 per cent).

The dollar, owed little change against most major currencies, the one notable exception being the Japanese yen. The latter was affected by the recent OPEC rises in the price of oil and possible erosion in the competitiveness of Japanese exports.

The Italian lira improved against the Danish krone yesterday and regained its position as the strongest currency in the European Monetary System. The Belgian franc remained the weakest currency and showed little reaction to the Belgian authorities' decision to leave key lending rates unchanged.

In relation to ECU central rates at the start of the EMS on March 13, the Italian lira has appreciated 1.1636 per cent, compared with 1.1394 per cent on Tuesday, and the Danish krone has risen by 1.0644 per cent compared with 1.1869 per cent, while the Irish punt has appreciated by 0.5063 per cent, compared with 0.5424 per cent.

The Dutch guilder has risen by 0.0092 per cent compared with a fall of 0.0368 per cent on Monday, while the French franc has depreciated by 0.1523 per cent from 0.9593 per cent previously.

The U.S. unit's best level up to midday was DM1.8636, well down from Tuesday's close of around DM1.8660.

MILAN-The lira improved against the dollar and most EMS currencies yesterday in light trading, and there did not appear to be any intervention by the Bank of Italy. The U.S. currency was quoted at 1.8582 against 1.8395 previously, and the D-mark also eased to 1.4502 from 1.4503. The Danish krone lost ground to 1.1619 from 1.1620, while sterling held steady at 1.1721.50 against 1.1721.50.

YDKYO-The dollar showed a slightly firmer tendency against the yen yesterday and closed at 207.525, compared with 207.625 on Tuesday.

THE POUND SPOT AND FORWARD

Table with columns: Date, Day's spread, Close, One month, Three months, Six months, and % change. Includes data for U.S., Canada, Netherlands, Belgium, Denmark, West Germany, Portugal, Spain, Italy, Norway, France, Sweden, Japan, Austria, Switzerland, and Benque rate.

THE DOLLAR SPOT AND FORWARD

Table with columns: Date, Day's spread, Close, One month, Three months, Six months, and % change. Includes data for UK, Ireland, Canada, Australia, New Zealand, Hong Kong, Singapore, and other international currencies.

CURRENCY RATES

Table with columns: Bank, Special Drawing Rights, European Currency Unit, and Mar. 28. Lists various banks and their rates for different currencies.

OTHER MARKETS

Table with columns: Mar. 28, and various market indicators like Argentina Peso, Australia Dollar, Brazil Cruzeiro, Finland Markka, Greek Drachma, Hong Kong Dollar, etc.

EXCHANGE CROSS RATES

Table with columns: Mar. 28, Pound Sterling, U.S. Dollar, Deutsche Mark, Japanese Yen, French Franc, Swiss Franc, Dutch Guilder, Italian Lira, Canadian Dollar, Belgian Franc.

EURO-CURRENCY INTEREST RATES

Table with columns: Mar. 28, Sterling, U.S. Dollar, Canadian Dollar, Dutch Guilder, Swiss Franc, West German Mark, French Franc, Italian Lira, Asian \$, Japanese Yen.

INTERNATIONAL MONEY MARKET

German move expected

The West German Bundesbank left its discount rate unchanged at 8 per cent, which is also the rate for 'A' quota loans, while 'B' quota loans and the Lombard rate also remain at 8 per cent. At Tuesday's auction the rate on four-month certificates of funds des rates was unchanged at 8.05 per cent, and one-month paper was 7.90 per cent, two-month 7.75 per cent, and three-month 7.80 per cent.

GOLD

Firmer trend

Gold rose by \$1 an ounce in the London bullion market yesterday to close at \$244.245. The metal opened at its low for the day of \$243.244 and rose steadily to touch its best level just prior to the opening of 13.5 markets, at \$244.245. After dipping briefly it improved once more to its closing level. The gold content narrowed to 0.12 per cent from 0.10 per cent for domestic delivery, and 2.61 per cent from 3.25 per cent internationally.

UK MONEY MARKET

Small assistance

Bank of England Minimum Lending Rate is 12 per cent (since March 1, 1979). Day-to-day credit was in short supply in the London money market yesterday, and the authorities gave assistance by buying a small amount of Treasury bills from the discount houses.

EUROPE

Small assistance

taken at 12 1/2 per cent, although some funds were picked up at 11 1/2 per cent during the day. Fixed period interest rates were generally easier, with three-month sterling certificates of deposit rates falling to 12 1/2 per cent, from 12 1/4 per cent, and three-month interbank money to 12 1/2 per cent from 12 1/4 per cent.

LONDON MONEY RATES

Table with columns: Mar. 28, Sterling Certificate of deposit, Interbank, Local Authority deposits, Local Authority bonds, Finance House Deposits, Company Deposits, Discount Market, Treasury Bills, Eligible Bank Bills, and Fine Trade Bills.

MONEY RATES

Table with columns: NEW YORK, Fed Funds, Treasury Bills, GERMANY, Discount Rate, Overnight Rate, Three months, Six months, FRANCE, Discount Rate, Overnight Rate, Three months, Six months, JAPAN, Discount Rate, Overnight Rate, Three months, Six months.

UNION CORPORATION LTD.

(Incorporated in the Republic of South Africa)

The Chairman, Mr. E. Pavitt, reports to shareholders

It is pleasing to be able to report that the Corporation earned a record profit last year. Pride in achieving record figures is nowadays somewhat marred by the knowledge that inflation distorts comparisons - especially longer term ones - but the rise from R37.7 million to R62.5 million substantially outruns such reservations.

which, coupled with a steady demand for the metal, brought about a gradual improvement in prices until by the end of 1978 the producer price had reached \$300 an ounce. As speculative influences can have a disproportionate effect on prices, decisions involving substantial investment in extending capacity must continue to be made in the light of long term demand projections rather than short term market movements.

INDUSTRIAL In spite of continuing dull economic conditions, earnings from our industrial interests rose by nearly a third, thanks largely to a particularly impressive performance from our packaging and printing group, Kohler Brothers. In the pulp and paper field Sappi had a relatively disappointing year but I anticipate improved profits in 1979 resulting from better market conditions and vigorous efforts to reduce costs and raise efficiency.

OUTLOOK The world is in too much of a turmoil to make predictions with complete confidence but I am optimistic that we shall receive higher dividends from our mining investments during 1979.

I believe, moreover, that the increased revenue from the gold and platinum industries will outweigh the extra cost of oil and present South Africa with an opportunity to maintain its economic recovery this year. If this should be the case we would also reap even better rewards from our industrial interests. South Africa needs a high level of investment in enterprises which will produce the profits and the consumer demand needed to open up still further employment opportunities.

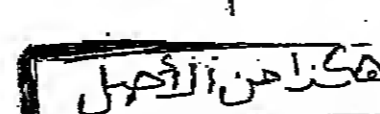
Table with columns: Year, Income Dividends after tax per share, Rands, Cents. Shows data for 1976, 1977, and 1978.

GOLD AND URANIUM Work is well under way at Beisa Mines - the first South African mine which will be established primarily as a uranium producer. Following an extensive drilling programme which is still continuing in order to evaluate the full potential of this area, the first mining operation has been delineated and production is scheduled to start in 1982 at a cost estimated at R200 million in 1978 terms.

PLATINUM In the platinum market the underlying balance of supply and demand has been distorted by forces which were not only unpredictable but remain partly unexplained. Towards the end of 1977 there was a falling off in Russian supplies to the Western world

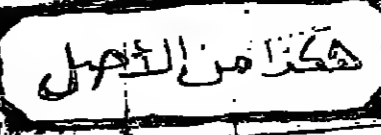
Our contribution to this process is considerable with capital expenditure running at over R150 million a year. We have a strong, diversified, base which will enable us to finance the projects we now have in hand and still look for new opportunities to improve the income of our shareholders and the prospects of our employees.

Copies of the Annual Report may be obtained from the London Secretaries, Union Corporation (U.K.) Ltd., 35 Gresham Street, London EC2V 7BS. (Quoting ref. U.C.)



Companies and Markets

WORLD STOCK MARKETS



Indices

Table of stock indices for New York, London, and other major markets, including Dow Jones, Nikkei, and various regional indices.

Wall St. slightly higher in heavy early trade

INVESTMENT DOLLAR PREMIUM 2.50 to \$1-56 1/2% (61%)... TUESDAY'S strong rise... Dow Jones Industrial average up 16.5 points...

Germany

Continuing to respond to the OPEC oil price rise, which was relatively moderate compared with the market had feared...

Tokyo

Market showed little reaction to the OPEC oil price rise decision, and again finished on a mixed note with a slightly easier tendency prevailing.

London

Shares were higher in heavy early trade... The FTSE 100 index rose 16.5 points...

Canada

Shares were higher in heavy early trade... The Toronto Composite Index was 3.6 firmer...

Table of stock prices for various companies in New York, including IBM, AT&T, and General Electric.

Table of stock prices for various companies in London, including British Petroleum, Shell, and ICI.

Table of stock prices for various companies in Tokyo, including Toyota, Nissan, and Honda.

Table of stock prices for various companies in Hong Kong, including HSBC, Citibank, and Chartered Bank.

Table of stock prices for various companies in Australia, including BHP, Anglo Coal, and Broken Hill.

Table of stock prices for various companies in Europe, including Siemens, Philips, and Bosch.

Table of stock prices for various companies in Europe, including Volkswagen, Mercedes-Benz, and Opel.

Table of stock prices for various companies in Europe, including Renault, Peugeot, and Citroen.

Table of stock prices for various companies in Europe, including Fiat, Alfa Romeo, and Lancia.

Table of stock prices for various companies in Europe, including Volvo, Saab, and Skoda.

Table of European Options Exchange data, including call and put options for various stocks.

Table of Base Lending Rates for various banks and financial institutions.

Table of stock prices for various companies in Germany, including Volkswagen, Opel, and Mercedes-Benz.

Table of stock prices for various companies in Europe, including Renault, Peugeot, and Citroen.

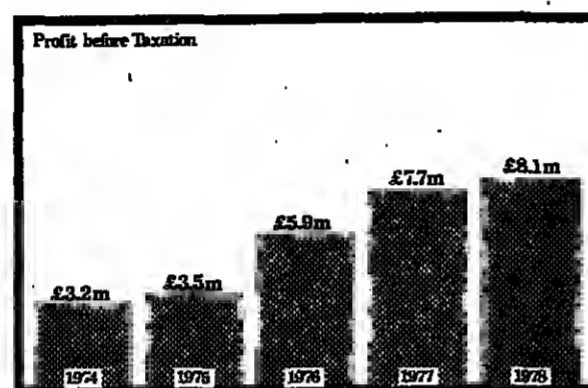
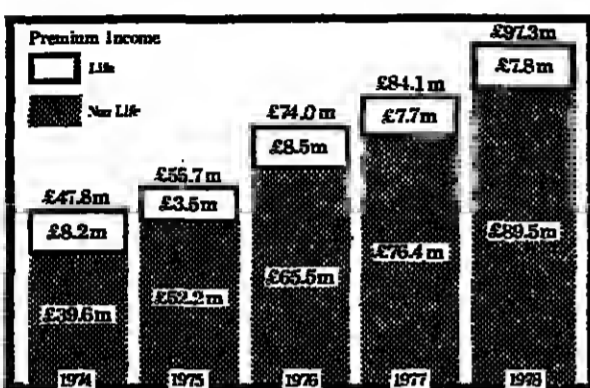
Cornhill Insurance Group

A Challenging Year

RESULTS	1978	1977
Premium Income	£000	£000
Fire and accident	85,631	72,582
Marine and aviation	3,901	3,859
Life	7,812	7,716
Profits		
Underwriting results:		
Fire and accident	(1,125)	681
Marine and aviation	(125)	(300)
Investment income	9,351	7,247
Shareholders' Life profits	75	75
Non-insurance company results	(14)	46
Profit before taxation	8,162	7,749
Taxation	3,575	3,850
Profit after taxation	4,587	3,899

1978 was a challenging year for the Group and although non-life premiums increased by 17% to almost £90m, profit moved ahead more modestly from £7.7m to £8.1m. United Kingdom in the motor account an increasing accident rate and a substantial rise in the cost of claims resulted in a small underwriting loss. The pecuniary loss, liability and engineering accounts produced satisfactory growth and underwriting profits. The household account continues to be a major problem area although progress was made during the year towards obtaining more adequate rating levels. Overseas Profits were below those reported in 1977 with underwriting losses in Canada, Australia and New Zealand. Elsewhere results were satisfactory with underwriting profits in Germany and Norway. The most important overseas development was the purchase at the end of the year of Ambassador Insurance Company, a speciality motor insurer in the U.S.A. Marine & Aviation There was continuing overcapacity and pressure on rates in the marine market and aviation claims were

severe. The result was an underwriting loss of £125,000. Life Further growth was achieved in regular premium business and good results were obtained from direct mail activities. Sales of single premium bonds were at a high level. Financial investment income rose by 29% to £9.35m. The Group's solvency ratio on a market value basis remains strong at 48%. Outlook 1979 may well be a difficult year. The widespread problems of household business are not yet solved and the bad weather and consequent high accident frequency in the UK at the beginning of 1979 will materially increase the cost of motor and household claims. Overseas the outlook is brighter and the newly acquired American subsidiary will make its first contribution to profit. Despite these problems Cornhill plans further expansion at home and overseas and looks forward to the future with confidence. Copies of the Report and Accounts may be obtained from the Secretary at 32 Cornhill, London, EC3N 3LJ.



A member of the Thomas Tilling Group

Britain's valve-makers: an industry under manifold pressures

BY RAY MAUGHAN

THE VALVE INDUSTRY is in deep recession. The problem lies not so much in any substantial volume decline as in new market entrants and new capacity added during the last boom. British manufacturers have tried to maintain market share at the expense of profitability. Fierce international competition and subsequent margins erosion are not unique to valve producers, nor is their charge that certain overseas manufacturers are retailing at or below the cost of production. But rather than shed labour to pare costs, the valves industry now appears to be reaching up market to the high added value offered by sophisticated new products used, for example, by the power generation industry.

The main concern for profits, shareholders and the 25,000-strong workforce in the UK valve industry is the extent to which manufacturers will continue to allow low profits and full employment in the event of a prolonged slump in their hope that higher technology will pave the way to important new markets.

The UK valve industry is one of dwarfs and giants. About 10 companies produce 50 per cent of total annual production, domestic sales value of which rose from £241.1m to £299.5m during 1977. The trend showing sales of £88.3m in 1977's final quarter and £72.3m in the following three months (the last period for which industry statistics are available) might be considered reasonably encouraging were it not for the subsequent revaluation of sterling and the growing industrial disruption which has begun to highlight traditionally cordial labour relations.

These statistics exclude both very small valves used mostly in the home and those used in the oil exploration industry. The figures are made up from two very broad categories: general industrial valves produced from iron or brass and generally known as gate valves, and steel valves, which are supplied to process plant industries such as gas, oil refining, petrochemicals, food and brewing.

It is the process plant category which, in the words of Mr. Harold Grace, finance director of Pegler Hattersley, is subject to "boom and slump" conditions. The boom evaporated some 18 months ago.

Pegler is one of the two largest independent manufacturers in the UK. Its annual valve turnover, like that of Serck, is

around £10m. Pegler was essentially a tap manufacturer until its merger with Hattersley, ten years ago, added a significant presence in the non-ferrous gate valve market. Six months later, under the auspices of the Industrial Reorganisation Corporation, the company bettered Serck's offer for steel valve manufacture, Newman Hender, in a deal which gave Pegler a notable exposure to the process plant market. This market, says Pegler's managing director, Mr. Alex Loudon, accounts for around £17.25m of total group turnover of £86m.

A further £15-£20m of the group's production is sold in the form of iron and non-ferrous gate valves, which have wide applications in general industry. The construction trades are major customers for such "bread and butter" products and Pegler is now enjoying the first signs of improved demand from this source.

The international market for gate valves has been very difficult. Exports usually account for around half of total valve sales. But such is the unrelenting nature of international competition that ferrous gate valve exports from the UK fell from £8m to £5m between the first quarter of 1977 and the comparable period in the following year, and accounted for almost all the drop in overall national sales from £14.3m to £11.3m.

Effects offset

By international standards Pegler is considerably smaller than the U.S. gate valve producer, Crane, which sells valves worth some £100m annually around the world. Mr. Loudon believes, however, that Pegler's wide product range and heavy marketing emphasis has helped to offset the worst effects of the world economic downturn.

Yet the market for steel valves used in the process plant industry looks appreciably more difficult than the gate valve sector. Keen competition has held prices down for the past two or three years while the price of steel castings, which Pegler has to buy in, has risen by an estimated 20-25 per cent over the same period.

Petrochemical valves volume, Mr. Loudon estimates, is down by around a quarter from its 1976 peak and, with Rotterdam refineries operating at about 70 per cent of capacity, no immediate improvement from

these areas can be expected. There are some brighter points: Guest and Chirnes, in which Pegler has a 40 per cent stake, enjoys "constant and fairly good demand" from the water treatment industry and Pegler is confident of an improvement from its McEvoy Oilfield Equipment associate—where Rockwell owns the 51 per cent majority—after a severe downturn in the energy exploration market in North America.

Despite increased activity in Pegler's important building products division, where sales amounted to £39m last year, the weakness of most areas of the steel valve industry is such that Pegler expects no more than maintained profits of around £12.6m this year.

Serck's problems, in the wake of a bitterly fought and ultimately unsuccessful takeover bid from Associated Engineers, have been widely chronicled. The defence forecast of £9m pre-tax for 1977 was comfortably beaten but profits in the following year slipped back by more than £4m. A further fall is threatened in the current period.

Serck employs £21.5m, or around 45 per cent, of its total operating capital in the valves sector; Pegler around 40 per cent. Convinced that the currently more stable gate valve market is already very well served and thus highly competitive, Serck is almost exclusively geared to the "boom and slump" steel valve industry.

Serck's involvement goes back to 1955, when as a manufacturer primarily of radiators, it acquired the privately-owned Audley Engineering valves concern which was already well established in Europe. Its Newport factory still provides the guts of Serck's steel valves manufacturing capacity.

In 1964 a marketing venture with Rockwell was started. The principal product was the lubricated plug valve, which remains Serck's major speciality with annual sales of around £20m. The butterfly valve market was developed during the last decade and Serck would claim a significant position here in the world market. Towards the end of the 1960s, the group also entered a joint venture with the Jamesbury Corporation of Massachusetts in the ball valve market.

Serck quickly bought out Jamesbury's stake and, in 1972, severed its connections with Rockwell and purchased Rockwell's plant outside the U.S. At that point, says the group's chief

executive, Mr. John Pinckard, Serck became a significant international company.

Turnover of both ball and butterfly steel valves is running at around £10m annually.

Mr. Pinckard sees the general industry or gate valve market increasingly in terms of a commodity business and is therefore determined to take Serck further into the more specialised highly engineered product range.

Unlike Pegler, which will not be tempted into the U.S. until "either they become more protectionist or we become less efficient," Serck is clearly very attracted by the North American market.

Mr. Pinckard is confident that the North American plug valve market has sufficient room for both Rockwell and Serck. The two groups are very close and the U.S. manufacturer is thought to have approached the Serck board with takeover proposals some seven years ago. However, no major rationalisation or merger moves are on the horizon.

Neither Serck nor Pegler foresees much net new investment in the valves market. Pegler, Mr. Loudon stresses, is more aware than in the past of the need to look at overseas markets and will be making a big export effort in, for example, South East Asia, where penetration is still relatively small. Around 70 per cent of Pegler's steel valves are already exported, however. The Pegler board has concluded that "within the next three-five years, the group must undertake a major investment to get off its present plateau—but it may not be in valves."

For all the apparent difficulties, there do seem to be areas of growth still capable of attracting new market entrants. Valve-makers Hopkinsons Holdings' 25 per cent interim pre-tax profit advance last year to £2.15m is an example of the long-term strength of the power generation industry, its major customer, at a time when the market for "off the shelf" valves is being badly squeezed by competition.

With the important building sector beginning to stir once again, the bottom of the trough for the valve industry, if not yet reached, cannot be very far off. But nobody is even prepared to hazard a guess as to how well and how quickly the market can lift demand to meet supply. The industry will remain under a heavy cloud until that question can be answered.

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MICROELECTRONICS II

EVERYTHING POINTS TO STRATHCLYDE AS A MANUFACTURING BASE FOR THE ELECTRONICS INDUSTRY

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A race to stay in the league table

EARLIER THIS month, Mr. Alan Williams, the Industry Minister, who has had most to do with Britain's attempts to enter the micro-electronic age, revealed a disturbing (to British business) set of figures. They showed the percentage of industrial components used in manufacture which were micro-electronic parts of one sort or another.

The U.S., not surprisingly, came top, with 24 per cent. Japan followed, at 15 per cent; West Germany came in at 14 per cent; Western Europe as a whole—not far behind Japan—was at around 13 per cent. But of that last total, Britain fell below the average, at between 10 and 13 per cent.

In short, Britain's manufacturers have been finding applications for micro-electronics at a significantly slower rate than its major industrial competitors. It is a measure of the strides taken in the past year that it is

now regarded as axiomatic that to lag behind in a league table like this one is a bad thing. Yet only a year ago there was little public discussion, either by Government or anyone else, on micro-electronic technology.

Precisely because the public "debate" has moved so rapidly, it is necessary to pose simple questions which have tended to be overlooked in the rush. The simple questions here are: why is it so important to find applications for micro-electronic devices? Why are there problems in doing so, and what are these problems?

Complex

Why are micro-electronic applications important? Micro-processors combine increasingly high processing power—that is, they can control more and more complex functions—allied to a tiny size. Therefore they lend

themselves extremely well to a wide range of tasks which were previously (or still are) performed mechanically or electro-mechanically. The developments in equally tiny memories, which can now pack up to 64,000 bits or units on to a chip, further enhance and extend their use.

Because of this the two major areas of labour, the factory and the office, will see sweeping and progressive changes with, in factories, the introduction of micro-processor controlled machine tools and, in time, robots; and computer-linked word-processing systems now being introduced in offices.

At the same time, domestic tasks and leisure pursuits will also be invaded by the new technology, as consumer goods such as cookers, washing machines, refrigerators and indeed the home itself incorporate processors; while developments in the television set particularly presage a range of applications, from information bank to home computer and a variety of TV games.

Infinite number of applications

THE MICROPROCESSOR has attracted the most public attention recently, because of its very wide variety of potential applications.

The microprocessor is a standard component which can be mass-produced relatively cheaply, but it can be programmed for an infinite number of different applications, ranging from the controls of a washing machine or to a vehicle's carburetion system or to an accounting machine.

The microprocessor can be produced cheaply because it can be manufactured in millions without it needing to be redesigned for each new application. A large part of the cost of each new application is therefore in the programming.

The microprocessor is, however, useless on its own. In any application it must be connected to an array of memory cells and also to special circuits which will translate the microprocessor pulses into a form which is useful in the outside world (input/output devices).

For example, a microprocessor controlling a washing machine will need to accept information about the water temperature which must be converted by a special circuit into the pulses understood by the micro. Its output will also

have to be converted from a stream of pulses into electric currents, for example, to turn water taps on and off.

The special circuits need to be designed for a limited application and are often more expensive than the microprocessor itself, although Ferranti in the UK has developed a device called an "uncommitted logic array" which is claimed to cut design times to only a quarter for these special circuits.

Memory circuits, by contrast, are almost all mass-produced to a world standard. Read-only memories (ROMs) are used to carry programme data which cannot be altered once the micro is in service. Random access memories (RAMs) can store data which is constantly changing.

The microprocessor can fetch data from any cell in a RAM. But for bulk storage, serial memories, including the new bubble memories, are used. Data can only be retrieved from a serial memory in predetermined sequence, as from a magnetic tape.

In some applications, where very large numbers of chips are needed, it may be cheaper to develop a special circuit rather than use a microprocessor and its associated circuits.

Max Wilkinson

Further, the possibly inevitable atmosphere of slight hysteria which has gripped Government and industry has meant that for some companies at least, a cool look at where micro-electronics could be most cost-effective in their businesses has not yet been made.

However, considerable steps have been taken, and it is worth listing some of the more outstanding ones. Both the General Electric Company (GEC) and Plessey have announced that they will put major effort into the development of processor-based office systems, while the National Enterprise Board has set up a new company—NEXOS—to fish in the same waters.

The Post Office's development of the digital electronic telephone exchange, System X, which will go on public show for the first time later this year, will in itself be a major user of micro-electronic technology, as will the peripheral developments associated with it.

Innos, the NEB's own semiconductor company, has said it will develop a range of microcomputers when it begins work in the UK in the early 1980s. All the major European automotive companies are actively examining ways in which they can fit micro-electronic control systems into their cars. Naturally, the major computer manufacturers remain important users of chips.

Beyond these developments, there are encouraging signs that the British Government's microprocessor applications programme—funded last year in the tune of £55m—is beginning to pay off.

The Department of Industry offers support to companies to look at micro-electronics applications, both by paying up to £2,000 of the cost of hiring a consultant and by a grant of 25 per cent of the cost (normally not less than £10,000) of projects involving such applications. About 300 applications have been approved so far, a much higher take-up than is usual in these cases.

Most recently, it has launched, in association with FA Consulting, a programme to make the country's "decision makers" in business and the trade unions aware of micro-electronics and its effects on products and jobs. This crash programme will take place between May and July of this year and then, indeed continuously as well, seminars and conferences organised by a variety of organisations will be encouraged and, to a limited extent, funded.

Quality

It is probably worth saying that, since the quality of many of those courses and seminars has yet to be proved, the aspirant after micro-electronic knowledge would be well advised to shop around carefully before making a choice.

The main emphasis of the courses will be in two directions: first, to make management aware of what microprocessors can do in their company; and second, to teach engineers, both those with a basis of electronic training and those without, how to acquire programming and other skills necessary for their efficient use.

The private courses are being supplemented increasingly by courses now being developed by universities and polytechnics and it is estimated that the 3,000 places in micro-electronic engineering now being offered will shortly be doubled.

The main point, which is now being noted, is that the rapid developments in microprocessor and memory technology are in themselves useless until applications are found for them. This in turn means that the speed of development of new products must attempt to match the introduction of ever more complex and powerful chips, or face obsolescence and declining markets.

John Lloyd



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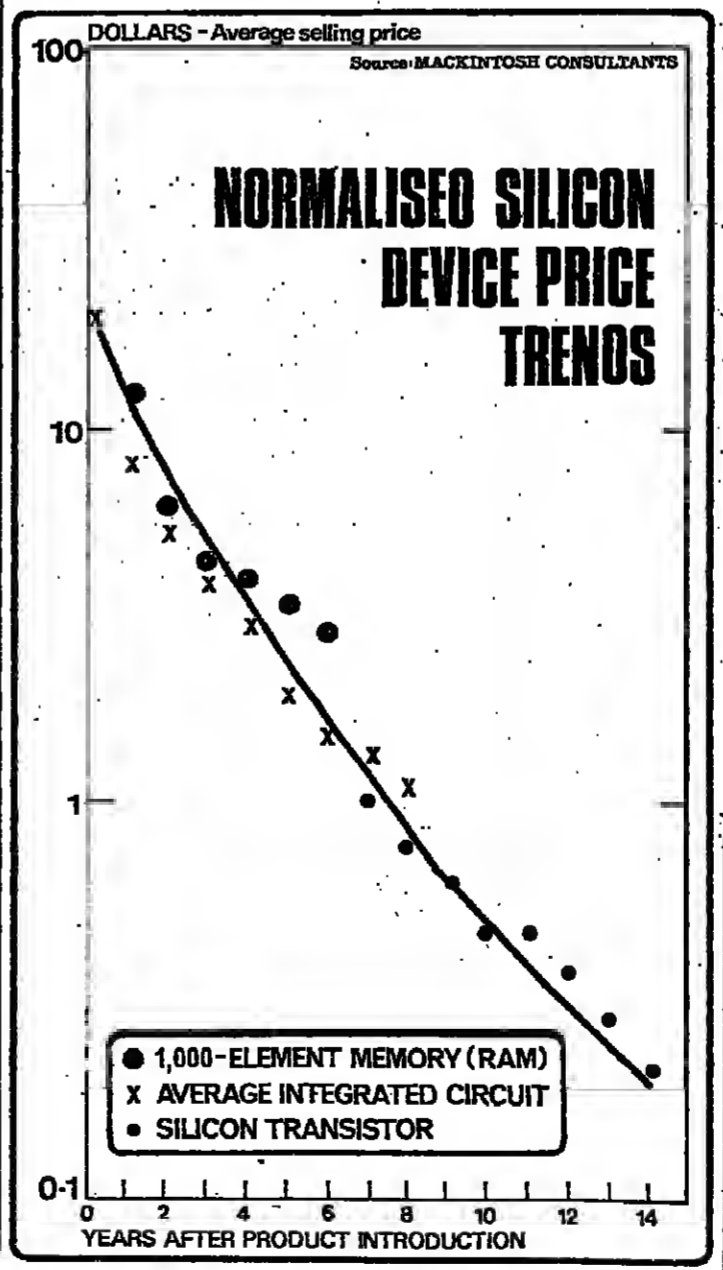
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MICROELECTRONICS III

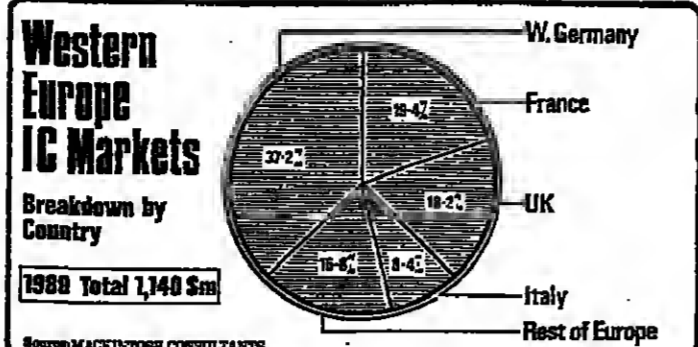
Changes in the function of chips

NAKED microprocessor is about as useful as a dead battery and, just like any other central processing unit, needs memory and support circuits to function properly.

Multichip will go to 16 per cent, PROM/ROM to 23 per cent, RAM to 9 per cent and support devices to 24 per cent.

Trend

Underlining this trend is a statement made last year at a symposium in Anaheim by Dr. Federico Faggin, head of the Intel Corp., who invented the first microprocessor in 1971/72 while he was working at Intel.



The relatively high growth in France can be largely accounted for by a higher ratio of discrete to ICs than in West Germany or the UK prior to 1978.

1982, with a 1m bit RAM expected by 1985/6. Also in the micro domain are the slower but considerably cheaper magnetic bubble memories and the charge-coupled device group.

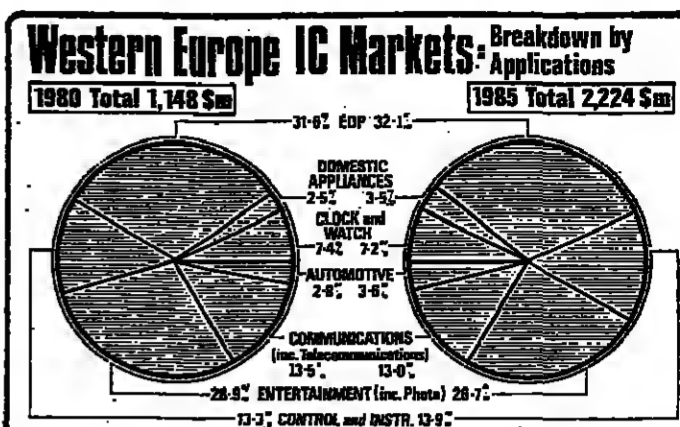
systems costs without a deterioration in performance, despite CCD's much slower access time of around 100 microseconds.

Forecast

Motorola development specialists forecast an important intermediate storage rate for such devices, serving powerful micros, midway between fast LSI memory and mass storage—which could be one or other type of disc.

board micros within its signal conditioning and wire termination array, as well as any of the function expansion boards made by Intel and by 30 other manufacturers supporting the Intel Multibus design.

Intel obviously hopes for overkill and that the ICS-80 will become a de facto standard in the process control industry, in production automation, in data acquisition and in test devices.



While the EDP sector will still remain the largest, the newer applications in watches, clocks, domestic appliances and automotive products will together take nearly 13 per cent of the market by 1980.

Innovators struggle to find uses

FIRST application of a "big" integrated circuit to show such developments could have been in an automatic washing machine.

In some areas of process control, the technology will have a hard task to gain a foothold, just as it took direct computer control of process plant at least ten years to gain acceptance.

Meanwhile, the development enabled Servis to produce extremely compact machine which does not perceptibly vibrate, even when operating on spin. True, it is expensive.

Telemetry is an area where optoelectronics are likely to expand quickly. Pioneering work is being done on military aircraft by Marconi to provide signal paths which are no longer lengths of wire or tubes carrying hydraulic fluids, but bundles of hair-fine glass fibres.

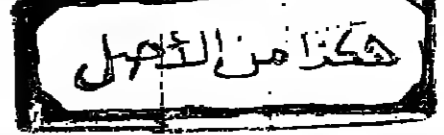
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Companies and Markets

COMMODITIES, and AGRICULTURE

U.S. Sugar Bill again delayed

OTHER DELAYS IN U.S. legislation of the International Sugar Agreement seem likely following news that the House Agriculture Committee in Congress has cancelled drafting sessions on a new Sugar Bill...

Canadian copper strike threat

TALKS WERE continuing last night to avert a strike at the giant Canadian Copper Refinery in Montreal. A spokesman for Noranda Mines said the strike deadline was April 4...

Foot and mouth hits France

VETERINARY officers in Normandy, one of France's richest stock-rearing provinces, are struggling to contain an outbreak of foot-and-mouth disease...

U.S. FUTURES MARKETS

Battle for control

REGULATION of the U.S. commodity futures markets has sprung to the headlines as a hot issue following news of scandals, actual or alleged, in three markets in recent weeks...

BY DAVID LASCELLES IN NEW YORK

But Congress only gave the CFTC a three-year mandate, which meant that the agency spent most of its time fighting for its political life...

EEC needs dynamic grain export policy

THE COMMON Market needs to reform its grain export methods and develop a "dynamic" policy which will guarantee the Community's place in world markets...

Potato Board may sell back surplus

THE POTATO Marketing Board may have to sell back onto the open market some of the "surplus" potatoes bought from farmers last year under its support buying scheme...

Farmers count the cost of winter

FARMERS in Britain are suffering from the effects of one of the longest and costliest winters for years, according to Mr. Tom Boden, deputy president of the National Farmers' Union...

EEC pays Thais to switch from tapioca

BANGKOK—Thailand is to receive an annual \$5m subsidy from the EEC to help farmers to switch from tapioca. He said a group of EEC officials would visit Thailand next month to work out a replacement programme...

India fixes cotton export quotas

NEW DELHI—The Indian Government has announced the cotton export quotas for 150,000 bales for 1979 (September/August). The Cotton Corporation of India has allotted 70,000 bales, states of Punjab, Rajasthan and Gujarat 20,000 each and the states of Andhra Pradesh, Karnataka, Madhya Pradesh, Maharashtra, Orissa, Uttar Pradesh, West Bengal and Jammu and Kashmir 10,000 each...

BRITISH COMMODITY MARKETS

Table with multiple columns showing commodity prices for various metals, grains, and other goods. Includes sub-sections for 'BASE METALS', 'GRAIN', and 'LIVE STOCK'.

COFFEE

Table showing coffee prices for various grades and origins, including Robusta and Arabica beans.

SOYABEAN MEAL

Table showing soyabean meal prices for different grades and origins.

PRICE CHANGES

Table showing price changes for various commodities, including metals, grains, and oils.

AMERICAN MARKETS

Table showing American market prices for various commodities, including grains, oils, and metals.

INSURANCE BASE RATES

Table showing insurance base rates for property growth and vanbrugh guarantees.

RUBBER

Table showing rubber prices for various grades and origins.

SUGAR

Table showing sugar prices for various grades and origins.

WHEAT

Table showing wheat prices for various grades and origins.

Wool Futures

Table showing wool futures prices for various grades and origins.

Trading Recommendations

- List of trading recommendations including: 'This week we: * took profits in coffee and opened another position', '* named our favourite metal for the bull market', '* moved stops to protect metal profits', '* opened another metal position'.

GRAINS

Table showing grain prices for various types of wheat, corn, and other grains.

MEAT/VEGETABLES

Table showing meat and vegetable prices for various types of meat and vegetables.

INDICES

Table showing various financial indices and market performance metrics.

EUROPEAN MARKETS

Table showing European market prices for various commodities, including grains, oils, and metals.

COCOA

Table showing cocoa prices for various grades and origins.

WHEAT

Table showing wheat prices for various grades and origins.

Wool Futures

Table showing wool futures prices for various grades and origins.

MOODY'S

Table showing Moody's credit ratings and financial data.

REUTERS

Table showing Reuters market data and financial information.

International Molasses

Commodity Analysts Ltd. 37-39 St Andrew's Hill London EC4V 5DD or 58 Kensington London W8 5SL

WHEAT

Table showing wheat prices for various grades and origins.

Wool Futures

Table showing wool futures prices for various grades and origins.

INDICES

Table showing various financial indices and market performance metrics.

EUROPEAN MARKETS

Table showing European market prices for various commodities, including grains, oils, and metals.

Companies and Markets

LONDON STOCK EXCHANGE

Eleventh-hour censure nervousness causes markets to lose impetus in busiest session for two years

Account Dealing Dates Option
*First Declares Last Account Dealings Dates Ending Day Mar. 22 Mar. 23 Mar. 24 Apr. 3 Mar. 26 Apr. 5 Apr. 6 Apr. 18 Apr. 9 Apr. 19 Apr. 20 May 1

points up fairly quickly and by noon was less than that amount away from its all-time peak attained in September, 1977.
Eleventh-hour nervousness set in regarding last night's no-confidence vote but had little impact on sentiment until the funds began to react.

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Most first-line issues, including many index constituents, settled slightly lower on balance.

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FINANCIAL TIMES STOCK INDICES
Table with columns for various indices (Government, Fixed Interest, Industrial, Gold Mines, etc.) and their values for March 28, 27, 26, 25, 24, 23, 22, 21, 20, 19, 18, 17, 16, 15, 14, 13, 12, 11, 10, 9, 8, 7, 6, 5, 4, 3, 2, 1, and Year Ago.

HIGHS AND LOWS
Table with columns for High, Low, and S.E. ACTIVITY (Daily Gilt Edged, Industrial, etc.) for various sectors like Govt Secs, Fixed Int., Ind. Ord., Gold Mines, etc.

LONDON TRADED OPTIONS
Table with columns for Option, Ex'cise, Closing price, Vol., Closing offer, Vol., Equity close, and sub-sections for May, August, and November.

FT-Actuaries Indices

The input of a wrong price for Rio Tinto-Zinc last Monday led to incorrect figures being shown for that day's Mining Finance and All-share indices. The corrected figures are in today's display.
Breweries again saw an active trade with the leaders closing around the day's best. Bass were firm, adding 4 to 207p, while Guinness put on 3 to 187p.

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Secondary issues provided the major features in the miscellaneous industrial sector. Sharma Ware stood out with a rise of 15 to 145p in response to the better-than-expected results.

comment and the expected interim profits rise, before settling for a net rise of 2 at 87p.

Late falls in Mines
After remaining quietly firm for most of the day overseas registered mining issues fell away sharply in the wake of the investment currency premium.
South African Golds, in sterling terms, had previously edged higher, but the fall in the premium quickly saw prices marked down and the gold mines index registered a 2.3 loss to 156.8.

NEW HIGHS AND LOWS FOR 1978/9
Table with columns for New Highs (408) and New Lows (10) for various sectors like British Funds, Foreign Bonds, etc.

APPOINTMENTS

Lord Charteris joins RTZ
Lord Charteris has been appointed a director of the RIO TINTO-ZINC CORPORATION.
The Secretary for Energy has been re-appointed Sir Derek Ezra as chairman of the NATIONAL COAL BOARD for a further three years, beginning July 3, 1979.

DEALING DATES

First Last Deal-Deal-Declara-Settlngs tion ment Mar. 20 Apr. 2 Jun. 14 Jun. 26 Apr. 3 Apr. 17 Jun. 28 Jul. 10 Apr. 18 Apr. 30 Jun. 12 Jul. 24
For rate indications see end of Share Information Service. Money was given for the call in British Land, Queen's Most Honours, Wimpey, Southern Construction, P & O, Westland Aircraft, Dabblers, Debenhams.

OPTIONS

Exchange Telegraph, ICI, Burmah, Inter City, Allcobe, Bowater, British Car, Ancon, Lonrho, Grand Met, Burton A, Town and City, Lennons, London Brick, Ultramar, Joy Capital, Premier Oil, Rolls-Royce, Edgar Allen (Balfour), LRC and Coral Leisure. Marks and Spencer and Ladbroke Warrants were dealt in for the put, and double options were arranged in NatWest Warrants, Shell, ICI, New Throgmorton Warrants and

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries
Table with columns for EQUITY GROUPS & SUB-SECTIONS, INDEX, and YIELD.

LEADERS AND LAGGARDS

The following table shows the percentage changes which have taken place since October 22, 1978, in the principal equity sections of the FT Actuaries Share Indices. It also contains the Gold Mines Index.

RECENT ISSUES

Table with columns for Issue, Price, Date, and Stock, listing recent issues and their prices.

RIGHTS OFFERS

Table with columns for Issue, Price, Date, and Stock, listing rights and offers.

FIXED INTEREST YIELDS

Table with columns for British Government, Wed, Mar, 28, Day's Change, and Yield.

Redemption yield. Highs and lows record, base dates and values and constituent changes are published in the Securities and Investments List of the constituents is available from the Publishers, The Financial Times, Bankers, Hawksley & Co., London, EC4P 4BT, price 75p, by post 82p.

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AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as 'Key Fund Managers Ltd.', 'Provincial Life Inv. Co. Ltd.', and 'Schlesinger Trust Mgrs. Ltd.' with columns for fund names and values.

Table listing various unit trusts such as 'MLA Unit Trust Mgmt. Ltd.', 'Murray Johnstone U.T. Mgmt. V', and 'Mutual Unit Trust Managers (UK)'. Includes sub-sections for 'National and Commercial' and 'National Provident Inv. Mgrs. Ltd.'.

Table listing various unit trusts such as 'Schiele Trust Mgrs. Ltd.', 'Target Tr. Mgrs. (Scotland)', and 'Transatlantic and Gen. Secs. Co. V'. Includes sub-sections for 'Scottish Equitable Fnd. Mgrs. Ltd.' and 'Stewart Unit Tr. Managers Ltd.'.

OFFSHORE AND OVERSEAS FUNDS

Table listing offshore and overseas funds such as 'Alexander Fund', 'Keyser Ullmann Ltd.', and 'Keyser Ullmann Ltd. (UK)'. Includes sub-sections for 'Bank of America International S.A.' and 'British Overseas Airways Corp.'.

INSURANCE AND PROPERTY BONDS

Table listing insurance and property bonds such as 'Abney Life Assurance Co. Ltd.', 'Crown Life Assurance Co. Ltd.', and 'London Indemnity & Gen. Ins. Co. Ltd.'.

NOTES

Notes regarding fund performance and investment details.

Food values

FT SHARE INFORMATION SERVICE

FOOD, GROCERIES—Cont.

BRITISH FUNDS

Table of British Funds including 'Shorts' (Lives up to Five Years) and 'Over Fifteen Years'.

BONDS & RAILS—Cont.

Table of Bonds & Rails with columns for Stock, Price, Div. Yield, and Ref. Yield.

BANKS & HP—Continued

Table of Banks & HP with columns for Stock, Price, Div. Yield, and Ref. Yield.

CHEMICALS, PLASTICS—Cont.

Table of Chemicals, Plastics with columns for Stock, Price, Div. Yield, and Ref. Yield.

ENGINEERING—Continued

Table of Engineering with columns for Stock, Price, Div. Yield, and Ref. Yield.

AMERICANS

Table of American stocks with columns for Stock, Price, Div. Yield, and Ref. Yield.

Hire Purchase, etc.

Table for Hire Purchase, etc. with columns for Stock, Price, Div. Yield, and Ref. Yield.

DRAPERY AND STORES

Table for Drapery and Stores with columns for Stock, Price, Div. Yield, and Ref. Yield.

BEERS, WINES AND SPIRITS

Table for Beers, Wines and Spirits with columns for Stock, Price, Div. Yield, and Ref. Yield.

INDUSTRIALS (Miscel.)

Table for Industrials (Miscel.) with columns for Stock, Price, Div. Yield, and Ref. Yield.

Over Fifteen Years

Table for Over Fifteen Years with columns for Stock, Price, Div. Yield, and Ref. Yield.

CANADIANS

Table of Canadian stocks with columns for Stock, Price, Div. Yield, and Ref. Yield.

BUILDING INDUSTRY, TIMBER AND ROADS

Table for Building Industry, Timber and Roads with columns for Stock, Price, Div. Yield, and Ref. Yield.

INDUSTRIALS (Cont.)

Table for Industrials (Cont.) with columns for Stock, Price, Div. Yield, and Ref. Yield.

INTERNATIONAL BANK

Table for International Bank with columns for Stock, Price, Div. Yield, and Ref. Yield.

CORPORATION LOANS

Table for Corporation Loans with columns for Stock, Price, Div. Yield, and Ref. Yield.

BANKS AND HIRE PURCHASE

Table for Banks and Hire Purchase with columns for Stock, Price, Div. Yield, and Ref. Yield.

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ELECTRICAL AND RADIO

Table for Electrical and Radio with columns for Stock, Price, Div. Yield, and Ref. Yield.

FOREIGN BONDS & RAILS

Table for Foreign Bonds & Rails with columns for Stock, Price, Div. Yield, and Ref. Yield.

LOANS AND PUBLIC BONDS

Table for Loans and Public Bonds with columns for Stock, Price, Div. Yield, and Ref. Yield.

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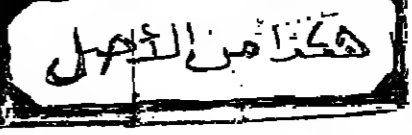
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NEW JAPAN SECURITIES
Tokyo, Japan
New Japan Securities Europe Limited

INDUSTRIALS—Continued

Table of industrial stocks including companies like British Petroleum, ICI, and various engineering firms. Columns include stock name, price, and percentage change.

INSURANCE—Continued

Table of insurance stocks including companies like Sun Life, Prudential, and various mutual insurers.

PROPERTY—Continued

Table of property-related stocks including real estate investment trusts and land development companies.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including various equity and bond funds.

FINANCE, LAND—Continued

Table of finance and land stocks including banks, insurance companies, and land trusts.

MINES—Continued

Table of mining stocks including various metal and coal mining companies.

NEW JAPAN SECURITIES advertisement with contact information for London, Tokyo, and other offices.

INSURANCE

Small table of insurance stocks.

PROPERTY

Small table of property stocks.

TRUSTS, FINANCE, LAND

Small table of trusts, finance, and land stocks.

FINANCE, LAND, etc.

Small table of finance, land, and other stocks.

FINANCE

Small table of finance stocks.

REGIONAL MARKETS

Small table of regional market data.

DIAMOND AND PLATINUM

Small table of diamond and platinum stocks.

INSURANCE

PROPERTY

TRUSTS, FINANCE, LAND

FINANCE, LAND, etc.

FINANCE

REGIONAL MARKETS

DIAMOND AND PLATINUM

